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19980130 030

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NATIONAL TECHNICAL INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

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# East Europe

JPRS-EER-89-061

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25 MAY 1989

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## CZECHOSLOVAKIA

### Need for Different Kind of Socialism Stressed

28000100 Belgrade BORBA in Serbo-Croatian  
8-9, 10 Apr 89

[Interview with Professor Zdenek Masopust, Institute for State and Law of the CSSR Academy of Sciences, by Dragan Vukcevic: "Socialism, Yes—But of a Different Type"; in Prague, date not given]

[8-9 Apr p 8]

[Text] (From a special BORBA correspondent)—My conversation with Prof Zdenek Masopust lasted for several hours over 2 days and dealt with Socialism today and almost everything connected with that, but in the end it came down to a single statement: everything depends on what sort of Socialism we are thinking about.

This emerged, for instance, when I asked Prof Masopust this question: If you opted for Socialism, which one would you select? His response was immediate and simple: "I certainly wouldn't select the one we had in the past or the one we have today."

Thus, the conversation was spontaneous, there were no long-winded explications of various formulations, in that small "thinker's workshop" in the center of Prague (which gets crowded with just three or four people) there was nothing that could not be interpreted, grasped. Zdenek Masopust holds the degree of doctor of law and philosophy and is a member of the Institute for State and Law of the CSSR Academy of Sciences. He speaks only for himself because, as he tells us, "Not even under the roof of this Institute for State and Law does everybody think the same way."

Indeed, the conversation started out with the fact that people think differently and have different interests.

[BORBA] Prof Masopust, tell me how far you've come in Czechoslovakia in the discussions of political pluralism, because for the present it's still difficult to talk about the prospects for introducing it into the life of society.

[Masopust] We've only been talking about political pluralism in Czechoslovakia recently. Not even 20 years ago, when the CPCZ program was being drafted, was there any thought of introducing pluralism. Today that problem has emerged with the process of reform in Socialism. And the fact that we're wrestling with it is in large part due to the processes under way in the Soviet Union, Poland, Hungary, and Yugoslavia.

In the past our theory overemphasized the unity of Socialist society because we started out from the assumption that society would grow increasingly monolithic in the process of building Socialism. In addition, we

believed that the main source of differentiation in bourgeois society was the relationship to the means of production, which meant that as soon as the means of production were socialized, the main cause of differentiation in bourgeois society would disappear as well. That supposition proved to be erroneous.

Socialist society is differentiated not only according to the relationship to the means of production but also according to a whole series of other criteria such as job, education, age, sex, nationality, religion, etc. Thus bourgeois society is always pluralistic—differentiated.

[BORBA] That thesis has been disputed in Socialism with the assertion that bourgeois society is "rotten."

[Masopust] That differentiation demonstrates not the sickness of that society but its health. And it's the result of the process under way in that same society. Its differentiation is not the heritage of the past nor the consequence of imperialism or of any other external force.

In fact, the problem of pluralism is not the differentiation of bourgeois society in itself but the question of whether that differentiation finds any expression in the political sphere, and how. It's not a question of pluralism of thought and interests alone, it's a question of how various opinions and interests can legally find political expression, i.e. how that differentiation is legalized and institutionalized.

[BORBA] We frequently hear two assertions today: that pluralism presupposes the free play of political forces (this applies to capitalism) and that there is no place for pluralism in a 1-party system (this applies to Socialism). Would you like to comment?

[Masopust] A political process based on pluralism does not mean the free play of political forces at all. That play is always limited in some way—both formally and substantively. The formal limitation comes from the constitution and laws, and the substantive one from society's consensus on the values that society accepts. Thus, political activity that breaks the formal rules is considered contrary to the law or illegal and political activity that goes beyond the social consensus is considered illegitimate. In other words, illegitimate groups exist in every society, including Socialism.

In the past our theory often assumed that Socialism existed as a ready idea that we only needed to implement. Such a view is not only oversimplified but wrong in its very substance. The very form of Socialism is the subject of dispute but not even there does anybody have a monopoly on the truth. In other words, we're not constructing some sort of ready Socialism that already exists somewhere, as a model for us; we're constantly

adjusting that model. Socialist society is no more uniform than capitalist society, it's full of contradictions. That's why we can't claim as we once did that capitalism is full of contradictions but that there aren't any in Socialism.

[BORBA] Introducing political pluralism into the life of society presupposes weakening etatism. Or, more precisely, it means abandoning the old concept of increasing etatism in Socialism. What are conflicts likely to bring in this respect?

[Masopust] In the past we assumed that the function of the state ought to grow constantly and that it should handle all details of human society—above all, economic life in its entirety. This view was incorrect. Our view of the state has led to the state's overloading itself, taking on obligations it could not fulfill. I consider this an important argument for instituting societal self-management and democracy, for propagating the view that above all the state should handle things society itself cannot handle. However, the state does not need to meddle in affairs that society can handle.

[BORBA] If you're willing, Prof Masopust, your answer leads to a new question, one that's still not popular in some countries: how can we talk about democracy without talking about the sovereignty of the human being as an individual?

[Masopust] Like the Soviet Union, the Socialist countries too—including Czechoslovakia—have passed through a period of stagnation that has brought them to the brink of crisis. The main cause of that lay not in the economy but in politics. We could say that the main cause of our difficulties is insufficient democracy, and that shows up in the fact that we make inadequate use of people's activity and initiative. In our political system we did not emphasize the citizen as a political factor. However, we can't talk about the sovereignty of the people if we don't first of all talk about the sovereignty of the human being/citizen. In other words, we should create mechanisms in society that will permit the sovereignty of the citizen to find expression. Of course, we still have some people who think that such mechanisms already exist and that in fact the Popular Front in its present form is that mechanism. I don't think that's correct.

[BORBA] In Socialism all parties—including the ruling party—come under the "umbrella" of the Popular Front. Objectively, however, the Popular Front comes under the "umbrella" of the Communist Party. Where is the democracy in such a situation?

[Masopust] First all we need to look at the role of the Communist Party in a new way, i.e. raise the question of its leading role in society. It's often said that the working people, above all the working class, have only one representative, the Communist party. That is, of course, an oversimplified notion, because the working class, too,

is highly differentiated. Its differing interests should be represented somewhere too. That means that today we are on the threshold of great reforms, not only economic, but political as well.

### Parallel Reforms

The most important thing is that the economic and political reforms should proceed in tandem. Without political reform we won't awaken people's activity and initiative, and without effective economic reform society can't be satisfactory.

[BORBA] Can Socialism secure its survival?

[Masopust] Socialism has a right to exist only if it's superior to capitalism—in the areas of economics, human rights, and democracy. If Socialism doesn't satisfy human needs better than capitalism, if it doesn't give people more democracy, rights, and freedom than capitalism, then there's no need for such Socialism.

[BORBA] Let's take a specific question though: is it possible to introduce pluralism under the conditions of a 1-party system?

[Masopust] Today in Socialist countries there's wide discussion of whether political pluralism can be brought about in a system where there is only a single political party. A 1-party system can be a system where there are several political parties—a ruling party and other small or quite inactive ones.

[BORBA] However, I would ask for the sake of clarity: why is it that there's pluralism in capitalism but capitalism still continues to exist?

[Masopust] Only one explanation is possible: that's because a majority of society accepts capitalism, i.e. is in accord with it, agrees with the principles of it. Given such a supposition, where a majority of society was behind Socialism, Socialist pluralism could function successfully. Naturally that raises the question of whether the majority of people in our societies is behind Socialism. And even more important, what in fact is that Socialism that society is behind?

[BORBA] What should we think of Socialism as?

[Masopust] The question is rather provocative but if we were to understand Socialism as it has been understood thus far, it's not certain that a majority of people in our societies would accept such Socialism. In other words, the problem is, shall we identify Socialism in general with the model of Socialism we've had in the past and which we have now? That's getting down to principles.

Monday: Pluralism in a 1-party system? It is possible, but...

[10 Apr p 7]

[Text] Prague, April (From a special BORBA correspondent)—In these times it is not unusual—and perhaps it is natural that this should be so—to receive several different answers in response to a simple, reasonable question (is the influence of the Communist Party growing or is it declining?). Recently in Prague I had the opportunity to ask that question (in a totally nonhostile atmosphere, I would add) and received three mutually exclusive answers: its influence is growing, its influence is not changing, and its influence is declining.

Naturally all three answers refer to the Communist Party of Czechoslovakia. The answer from the party newspaper, RUDE PRAVO, may be considered official (the party's influence is growing) while the answers from, say, the People's Front of Czechoslovakia and some government institutions (its influence is not changing, its influence is declining) should be considered unofficial, personal opinions. All of them are based on the results planned or already achieved in the process of economic reform and on the desire to see reforms in the political system.

#### 'Serious Situation'

At the Institute for State and Law of the CSSR Academy of Sciences, we also asked Professor Zdenek Masopust this question (the first portion of the conversation with Masopust was published in the double number of BORBA for 8 April)—is the CPCZ's influence growing or is it declining? Prof Masopust stated that "its influence is declining" and added that the situation is already "serious." Naturally he followed this up with the following explanation, in a spontaneous conversation in which we were free to discuss any and all topics and in which Masopust spoke freely:

[Masopust] The serious situation demands an answer to this: will we continue along the same path as we have thus far (which means that communications with society will grow poorer and poorer) or will we look for new methods to strengthen those communications? For the present, we're going along the old path, I would say. The problems are in fact growing more grave, more serious. The Czechoslovak public realizes that, it sees it.

[BORBA] Prof Masopust, to what extent is all this affected by the rapid changes in other Socialist countries?

[Masopust] More and more often people in this country are comparing developments here with those in the USSR, Poland, Hungary. If changes are possible there, why aren't they possible here? Naturally our problems don't pertain to the question of democracy alone. They also have to do with the economy, goods, human rights—in other words, they have to do with our connection with the world. I think these problems are intertwined and

thus that the methods for solving them must be intertwined. Certainly we cannot solve our economic problems only by economic reform, just as we cannot solve our political problems only by political means. That's why, in short, economic reform without political reform won't work.

[BORBA] If I may simplify: what do people expect from political perestroika?

[Masopust] If political reform doesn't bring material improvements to society, it won't win sufficient support. We see that in the Soviet Union.

#### Program—Now or Never

[BORBA] The majority of Communist parties have a program. At its 27th Congress the CPSU drafted a new version of its program—after 25 years (the program was adopted in Khrushchev's day). The CPCZ doesn't have a program, rather it uses congress and other party documents. Is it time to "programmatize" a different future?

[Masopust] The official view in the CSSR is as follows: our party has decided to adopt a program. The theses of this program are to be debated at the upcoming, 18th, CPCZ Congress in 1990 (a year ahead of the deadline for holding a congress) but plans call for the entire program not to be adopted as a document until the 19th Congress in 1995. In my opinion such a program makes no sense because we need the program now or never.

The Soviet experience with their new version of the CPSU program is very instructive because that new text is already obsolete. Really, it was obsolete the moment it was adopted. Just like the 27th Congress—that's obsolete too. Today nobody in the USSR bothers with the new version of the program because developments are moving ahead rapidly there.

[BORBA] Which is better—to have a party program or not to have one?

[Masopust] I'm very skeptical about party programs and naturally that includes the CPCZ. We had a program—it was drawn up in April 1968. Subsequently it was said to be revisionist. I'm deeply convinced that if that program appeared today in Moscow in Russian, nobody would look twice at it. Many would consider it a compromise document that was not appropriate to the times.

I'm not a politician, nor do I speak for all academics, nor for my colleagues at the Institute for State and Law of the CSSR Academy of Sciences, where I work. I'm speaking for myself, on the understanding that I have a right to an opinion just like everybody else.

[BORBA] Until very recently Socialism always excluded the so-called human element from economic thought—and not only from there. It was not viewed as a condition in the development of Socialist relationships. Could you comment on this, bearing in mind the CPCZ's position on this problem?

[Masopust] First of all, the human factor element was excluded from politics and thus automatically from all other areas of science as well. We could say that economic reform in this country has not found mechanisms by which to stimulate people's initiative. This is connected with the problem of ownership, because our view of Socialist property is not well founded sociopsychologically. People take the term "Socialist property" to mean "nobody's property," in other words—to simplify things—something to steal, something to get rich off of, etc.

That's why a new view of property must be one fundamental element of social reform. I think there must be a pluralism of property too, i.e. there must be state, private, and cooperative property.

#### Personal Opinions

[BORBA] In conversations here people have emphasized the thesis that the foundation of property will be state property. Does this mean that the nature of property will change slowly or perhaps not at all?

[Masopust] I think those were personal opinions. We're now working on constitutional reforms. The Constitution is to be reviewed at the next CPCZ Congress and in the documents so far, in the existing expert opinions you won't find the view that state property will dominate.

[BORBA] Events in some Socialist countries, especially recently, force one to conclude that the Communist Parties there could lose power. Do you believe it's possible they could find themselves in the opposition or that they'd have a chance to return to power?

[Masopust] That question isn't being asked here in the CPCZ. Simply, the leaders of our party don't believe that once in the opposition a party could ever regain a leading position, regain power.

Certain pluralistic confrontations could cause the Communist Party to lose its majority temporarily. If the Socialism of the future is like the Socialism of today or of the past, then it's very probable that in those circumstances society wouldn't return to Socialism. There's no need to lose faith in Socialism but I'm talking here about a democratic, humanistic Socialism that provides an efficient economy, that offers people rights and freedoms.

## GERMAN DEMOCRATIC REPUBLIC

### NATO Policies Seen as Obstacles to Disarmament

23000157b East Berlin EINHEIT in German  
Vol 44 No 4, Apr 89 (signed to press  
14 Mar 89) pp 342-347

[Article by Maj Gen Werner Huebner, section head of the Socialist Unity Party of Germany (GDR) Central Committee: "Two Alliances and Europe's Interests"]

[Text] NATO and the Warsaw Pact—two military-political alliances whose existence and operations pervasively mark the looks of Europe, and on whose objectives and mutual relations the fate of our continent and its inhabitants greatly depend. Precisely in these days, both concepts suggest ideas reflecting the contradictory nature of international events, corroborating the polarity between anxieties and hopes: the reference to NATO today implies the topic of "modernizing" nuclear as well as conventional weapons systems, through the implementation of which new rounds in the arms race would be initiated and the results of the first real nuclear disarmament steps, widely undermined. The term Warsaw Pact, on the other hand, suggests the unilateral reduction of personnel strength in the socialist armed forces, of their tanks, aircraft, and cannons as well as military budgets, and the still more consistent development of the strictly defensive character of our peace coalition also with respect to the structure of its armies. Serious obstacles, in other words, where the arms race is driven further and the policy of strength is continued, yet mighty impulses for secure peace here, where disarmament is carried on seriously and responsibly and an accountable peace policy is purposefully being extended with good will yet proper vigilance.

This attitude precisely, this approach by the socialist states united in the Warsaw Pact, proves the realistic possibility to push back farther, and in the end eliminate, the risk of military conflicts on our continent, which the INF Treaty has by no means yet done away with. The peace policy conducted by socialism, while socialism is holding its breath and with all its strength, with realism, flexibility, and tenacity, demonstrates transparent effects. The horror stories of the "threat from the East," by the dissemination of which imperialist circles have been "justifying" their aggressive strategies for decades, have lost most of their persuasiveness. The peace movement, reported defunct by many a protagonist of NATO's arms buildup, has gained in breadth and influence—despite the protracted trial wave of the FRG justice department aimed at revenge and deterrence and the police operations against peace demonstrations, for instance in Britain and in the FRG. And the number of realistic statesmen and ranking politicians in NATO states who oppose the "modernization" pressure emanating primarily from Washington, another round of the arms race, and count on negotiations, is growing.

So there are favorable premises for success in the negotiations on conventional disarmament from the Atlantic to the Urals and in the negotiations on confidence and security building measures in Europe, that got started in the Austrian capital last month with the mandate for the Vienna CSCE followup meeting. The outcome should have to be an unequivocal less in armed forces and armaments of all kinds, and the remaining armed forces, which could no longer conduct surprise attacks, should have to be subject to scrutiny. No one should think this is easy, yet coping with it is a vital necessity for Europe.

In the complex of the closely intertwined socialist and capitalist states of Europe, approximately 650 million people live on circa 6.5 million km<sup>2</sup> (100/km<sup>2</sup>). Some 40 percent of the world's industrial and farm production is concentrated here. Of the 35 leading industrial states on the earth 21 are found in Europe. Most of the population lives in urban sprawls. In the year 2000, some 80 percent will be town dwellers. Along with it, this space contains all the military means that could bring about Europe's collapse. The incompatibility between military force and the mode of existence of modern industrial states has been proven. Any war would destroy the foundations for European civilization by power failure, chemical contamination, and radioactivity.

To avert war has thus become the vital question for Europe for today and for the future. Traditional NATO conceptions intend to suggest it could be done through "deterrence," through constantly new weapons systems including nuclear weapons of mass annihilation. The Warsaw Pact proposals, on the other hand, assume the need to preserve the approximate military-strategic equilibrium of forces and to reduce it to a constantly lower level purposefully, step by step, through drastic disarmament accords, where a mutual non-aggressive capability is assured and defense requirements alone are taken account of. This concept implies freeing our continent completely from nuclear and all other mass destruction weapons.

### The Fiction of NATO's Peace Mission

When NATO had its 40th anniversary the claim was frequently made that the Western military alliance had preserved peace in Europe in that only through its military strength had the armies of the Warsaw Pact states been restrained from attacking the West European states. And more than that: with the reference to the 1979 NATO double resolution and its implementation in the fall of 1983 the untrue thesis is linked that the disarmament process had been initiated through NATO's arms buildup, its policy of military strength.

For a realistic look at the present, such a distortion of facts calls for reviewing the history of both coalitions. On a U.S. initiative, on 4 April 1949, the North Atlantic Treaty was signed in Washington by Belgium, Denmark, France, Britain, Iceland, Italy, Canada, Luxembourg, the Netherlands, Norway, Portugal, and the United States

(Greece, Turkey in 1952, the FRG in 1955). The political background for thereby founding NATO was the Truman doctrine, the strategic U.S. intention to take on the role of a world policeman and to that end rely on regional military pacts under U.S. domination. Since then Washington has arrogated to itself the decision on whether a state of "threat against western civilization and ideology" had occurred in any state, calling for military intervention by the United States and its allies.

The forming of NATO, in particular the FRG's admission to it, contradicted the UN concept of collective security and opposed the principles written into the Potsdam Agreement under international law of cooperating with the Soviet Union in ensuring security and peace in Europe and preventing a revival of German militarism. The military-strategic principles of that imperialist military coalition relied on a surprising massive use of nuclear weapons—called "massive reprisal."

Long before NATO was founded, the United States had developed programs for nuclear war against the Soviet Union and other socialist countries. In mid-1948, the Pentagon had come out with the "Charioteer" plan, which envisaged dropping 133 nuclear bombs on 70 Soviet cities, 8 of them on Moscow, and 7 on Leningrad. The "Dropshot" plan of aggression followed in 1949. It provided for 300 atomic bombs and 250,000 tons of conventional bombs to be dropped on the USSR and its allies and—if that could not wrest a capitulation from them—for 250 divisions of the United States and its alliance partners to be deployed for aggressive strategic operations. "Dropshot" foundered, not last, on that in September 1949 the U.S. atomic monopoly was broken by the Soviet Union and from then on the United States would no longer be spared the flames of a nuclear war it had unleashed.

Slogans like the roll back of communism or the balancing act on the edge of war suggested NATO's true designs. These global objectives were linked with a revanchist policy to revise the results of World War II in Europe. Together with the other NATO states, the FRG negated the existence of the GDR as a state and subject of international law, arrogated to itself a sole representation claim for all Germans, even for those living outside its national borders, and raised claims to territories of socialist countries in order to expand its domain of supremacy again to the borders of the former German Reich.

All historical facts refute the fiction of a "peace forming" role of NATO as much as the imperialist attempts to blame the socialist states for the split of Europe into mutually opposing military blocs. They also invalidate the neutralistic positions that equate NATO and the Warsaw Pact and blame them equally for tensions and the danger of war. Designs to trigger conventional or nuclear war came only from the United States and



NATO, not from the Soviet Union. And it is and remains a fact that NATO was founded on 4 April 1949, but the Warsaw Pact organization, not until 14 May 1955.

### **Socialist Coalition for Safeguarding Peace**

No one can deny that the USSR and the other socialist states did not from the outset seek their own security system, but an open collective one for all European states, not aimed against any country. That was served by repeated proposals from the USSR, among them a draft peace treaty with Germany published on 10 March 1952 and the draft for an all-European collective security treaty, which was presented to the Berlin conference of the foreign ministers of the USSR, the United States, Britain, and France, held from 25 January till 15 February 1954.

To prevent conflict between the opposing military blocs, the USSR in March 1954 even offered negotiating on interested socialist states' joining NATO so it could become a vehicle for an all-European security system. That at once ran into a hostile rejection by the major capitalist powers under the pretext that NATO was an "association of like-minded states." The real reason for the refusal lay in the imperialist states' objective to force a revision of the results of World War II in favor of imperialism as fast as possible with the help of NATO by putting military pressure on the USSR and the states friendly with it, and finally to do away with socialism altogether.

In that situation the bilateral treaties among socialist countries no longer proved sufficiently effective to guarantee their defense against the growing imperialist threat. The new situation demanded of the socialist states new joint steps for the collective protection of socialism and the defense of peace. The Warsaw Pact was concluded on 14 May 1955. The military coalition of European socialist states, their political and military alliance, took shape.

The founding of the Warsaw Pact, the formation of a joint, coordinated foreign and security policy by the member states—a resolute peace policy that includes its military protection as an indispensable element—and the firm and growing comradeship in arms among the socialist armies of the liberated European peoples served the aggressive, revanchist, and restorative imperialist forces a heavy defeat. That presented the crucial precondition for the unavoidable fiasco of the NATO strategy of "rolling back" socialism with military means. The measures to secure the GDR's national border against the FRG and West Berlin, agreed on and jointly shouldered by the Warsaw Pact states, and the political and military activities connected with them, made apparent that this imperialist conception had, for all intents and purposes, collapsed. The acutely threatened peace on the continent was rescued by the resolute acts of the socialist states. A new starting situation was, in principle, created

for setting up a system for peace, security, and cooperation in Europe which is having its effect up to the present and into the far distant future.

### **Military-Strategic Equilibrium—Crucial Condition for Safeguarding Peace**

NATO found itself compelled to adapt its previous strategic conceptions to the altered situation, yet its conclusions diametrically opposed the European peoples' interests. The 1962 NATO council resolution assumed the possibility of limited wars in Europe against the socialist states, in which the tactical-nuclear and conventional armed forces of NATO were primarily to be used as thrusts, supported by strategic U.S. nuclear forces. The "forward strategy" came into effect in the fall of 1963 with its main feature of preparing surprise attack against socialist states that was declared to be a preventive measure to be able to conduct large-scale combat operations at once on their territory. In December 1967, the NATO council declared the "flexible reaction" strategy, which explicitly includes the option of a first nuclear strike, mandatory for NATO.

The further developed U.S. strategic nuclear forces remained NATO's military backbone. In parallel with it, the U.S. Armed Forces got modern operational-tactical nuclear weapons and new arms and equipment for conventional warfare. Intentions by authoritative NATO circles of equipping still other NATO states than the United States, Britain, and France with nuclear weapons, could not, however, be achieved. Decisive for that was the nonproliferation treaty signed by the USSR, the United States, and Britain in July 1968; it had come into action after years of struggle by the USSR and the other socialist states. By the end of 1968, as many as 83 states had already joined it. This barred the aggressive FRG circles from access to nuclear weapons. The European NATO states, first and foremost the FRG, bolstered their armed forces' conventional capacity. NATO became more capable of engaging in surprise acts of aggression.

This strategic conception of NATO and the assessment of the political and military situation at the time led the Warsaw Pact states purposefully to carry on and intensify the effort to initiate a process of security and cooperation in Europe. At the same time one had to do everything possible to be in the position through achieving a military-strategic equilibrium to deny any success to any assault by an aggressor and thus to be able to preserve peace. That also meant further developing one's own strengths, e.g., in ground forces or in missile development, to counterbalance inequalities in other fields, such as aircraft and naval forces. This conception for safeguarding peace for a while followed the idea of defeating the enemy on his own territory in case imperialist aggression still occurred. Yet at no time did our alliance and its member states and their armed forces proceed from a threat of aggression, but they kept

committed to the unequivocal defense mission of protecting the peace in Europe and peaceful life, their peoples' work of socialist construction, from any imperialist assault. As the then USSR defense minister in 1962 explained in an essay on military doctrine, the Warsaw Pact states, even under the complicated conditions of those years, "were no adherents to the well known military aphorism, 'offensive is the best defensive.' That does in principle not fit the socialist states, peace-loving as they are by nature."

#### For Drastic Disarmament From the Atlantic to the Urals

Under the conditions of the quasi military-strategic equilibrium between the USSR and the United States, the Warsaw Pact and NATO, in the early 1970's NATO switched to the so-called dual strategy of "arming and negotiating." This had to do with the transition to political detente in Europe, brought about mainly by the tenacious struggle of the Warsaw Pact states and demonstrated by the set of European treaties and the CSCE process, in the Final Act of Helsinki. Detente, welcomed by all nations in the world and being of benefit to all, facilitated important arms limitation accords, such as the ABM [Anti-Ballistic Missile] Treaty, SALT I and SALT II (still without U.S. ratification, however), which yet could not be carried further into real disarmament steps.

In NATO's dual strategy, "arming" remained predominant: Expansion of the operations principles for nuclear weapons and fixing the first use option, setting up naval and air assault formations and, finally, in 1978 the long-range armaments program, to run until 1993, which introduced another round of the arms race. The "East-West Study," prepared at that time also, solidified NATO's enemy-image. On the threshold to the 1980's, the detente and disarmament opponents in the United States and other NATO states shifted to confrontation and stronger arms buildup.

When on 12 December 1979 the NATO leadership passed the resolution on bringing in those medium-range missiles the unequivocal objective of which was the "decapitating strike," a threat of a novel quality had to be assumed. The deployment of first-strike weapons and the countermeasures taken by the Soviet Union and its allies glaringly illumined the situation in Europe: more confrontation with arms, with nuclear mass destruction weapons, would lead to disaster.

For the GDR, Comrade Erich Honecker concluded at the Seventh SED [Socialist Unity Party of Germany (GDR)] Central Committee Session in November 1983: Now all the more—everything for peace! Months before already, the top representative of our party and of our state had derived from the danger imperialism had conjured up in the nuclear space age the compelling need for a broad, worldwide coalition of reason and realism, a coalition for the survival of men and for their safe and

peaceful future. In January 1986, Comrade Mikhail Gorbachev submitted his program on liquidating nuclear weapons throughout the world by the year 2000. For 18 months, the Soviet Union abstained from all nuclear tests. At their Berlin conference, the Warsaw Pact states formulated their military doctrine aimed at preventing any war, nuclear or conventional, and at reducing armed forces and armaments to the level adequate for defense. In Budapest they presented their three-step program for conventional disarmament. This road leads to the socialist states' unilateral disarmament steps announced in early 1989 and already initiated.

All that documents that the alliance of the Warsaw Pact states faces, not just in words but in deeds, the new situation of the nuclear age: war has ceased being a means of politics, it would have neither winners nor vanquished but bring only the common doom of mankind. No longer against one another, but only with one another can there be security, the common security of all sides. No one must therefore seek military superiority, all must take part in freeing the world from weapons of mass annihilation and in radical conventional disarmament.

Even if such insights and conclusions find far-reaching verbal agreement on the part of NATO today and a first milestone toward effective disarmament was set with the INF Treaty, the danger of military confrontation is by no means banned. The resistance against effectively continuing the disarmament process, especially from the military-industrial complex and those imperialist forces that refuse to settle for the limits of their area of supremacy, is undiminished. That is demonstrated by the continued testing of elements of the SDI project, the plans to "modernize" nuclear and conventional weapons systems, the insistence on keeping nuclear weapons in Western Europe and on the option of the nuclear first strike, the projects for new types of missiles and fighter aircraft in the United States and in the FRG as by the most recent NATO exercise, in the scope of which even the defeat of forces of the peace movement was "rehearsed." There are such alarming events in the FRG as the development of the "complementary air attack system" (KOLAS) or the "modular distance weapon" (MAW)—also called "terror rain," new missile types for offensive operations with an action radius reaching far into the Soviet Union, and the openly raised demand for Bonn's "participation" in nuclear operational planning. Such an attitude by those responsible stands in gross contrast to the word of "peace with fewer weapons," which some of them are apt to mouth conveniently on Sundays when on their "working days" they erect obstacles on the way to disarmament. The extent of these military and arms policy activities of NATO and of the threat to peace stemming from it determines the measure of what is necessary for defense in socialism. Thereby the armies of the Warsaw Pact states, the NVA [National People's Army] of the GDR among them, let themselves be guided in their efforts to ensure through a constant

high operational readiness all military prerequisites for preventing war, and hence, for advancing the disarmament process.

The NATO strategy of "deterrence," its policy of strength, and its arms "modernization" program are risky anachronisms which more and more collide with the demands from the inhabitants of our continent and are incompatible with their interests. Shreds only are left today from the tissue of lies of the "danger from the East," by which for decades millions of West Europeans were blinded to the real danger emanating from arms corporations and NATO staffs. More and more people—even in circles of the haute bourgeoisie—cannot help being impressed, as they let themselves be guided by a sense of reality and responsibility, in witnessing the sincerity and integrity, the openness and accountability, the constructivity of socialist peace and disarmament policy. Only via arms limitation and disarmament can we get to secure peace, permanent detente, and fruitful cooperation. That calls for the will, the word and the deed, of all states. The concrete data and realistic proposals from the socialist states lie on the negotiating table in Vienna; their unilateral lead efforts are known to all. Now it is up to the representatives of the NATO states to submit their own reasonable propositions and announce achievements in disarmament. The interests of Europe, of all people on our continent, demand that much.

#### **Socialist Citizen Defenders Lauded**

*23000157c East Berlin EINHEIT in German  
Vol 44, No 4, Apr 89 (signed to press 14 Mar 89) pp  
365-368*

[Article by Prof Col Egbert Fischer, deputy commander of the Wilhelm Pieck Military College for Sociological Training and Research, and Col Martin Kapke, head of the teaching staff for the History of the Workers' Movement and Military History at the same college: "Our Socialist Fatherland Is Worth Defending, and Its Citizens Are Ready To Defend It"]

[Text] The defense worthiness of our socialist fatherland is inseparable from its citizens' defense readiness. That we have learned in the now nearly 40-year history of our GDR. Socialist national defense is firmly rooted in the people and most closely linked with it, with all classes and strata, all parties and social organizations, especially with the youth.

Already in the early years of our workers and farmers state, the parties and mass organizations united in the anti-Fascist-democratic bloc acknowledged that the people's achievements required the protection of arms. In a resolution of 13 June 1952, they put it this way: "When one wants to preserve the peace today, one must be for the defense of peace. When one affirms the democratic

state, one cannot let it go unprotected to foreign aggressors. When one is not ready to protect the peace from the aggressor with weapons, one encourages the aggressor and jeopardizes the peace."<sup>1</sup>

This basic insight was realized in the GDR while our national defense got organized. At the 11th party congress, Comrade Erich Honecker, general secretary of the SED [Socialist Unity Party of Germany (GDR)] Central Committee, observed: "Through the strength of all our people we managed to strengthen our republic's defense capability. In our country, our defense readiness, the conscious assumption of the constitutional right and honorable duty to protect the peace and our socialist fatherland, is self-evident. That includes increasingly voluntary acts to bolster our defense capacity."<sup>2</sup>

Even if our party's military-political targets always have been couched in concrete terms, in line with the given conditions of the struggle, they have always reflected the most important of all human interests and human rights—the preservation of life through the safeguarding of peace. This vital interest grants and commands all working people, regardless of their world outlook, to contribute personally to the requisite level of our country's defense capability, to do what is militarily necessary for securing the peace and for the military protection of the socialist accomplishments.

The GDR citizens' readiness to defend their socialist fatherland has profound social premises. As the first socialist state on German soil, the GDR in its entire development and its policy embodies the interests of the working class and of all the people. Through the workers and farmers power far more was done for the well-being of men in 4 decades than ever before.

The eighth party congress placed the purpose of socialism, to do everything for the benefit of the people, in a new quality at the center of party activity. All efforts were aimed at intensifying production and the organic connection of the advantages of socialism with the scientific-technical revolution, as a fundamental prerequisite for raising the people's material and intellectual-cultural standard of living. This policy has stood up well in life and bears rich fruit—as anyone can see and confirm through his own experiences. In it also lie essential starting points for the strengthening of the GDR's international positions.

In the process of the purposeful enforcing of the SED's social strategy as issued by the eighth party congress, which was further developed by the party program and the 11th party congress in line with the new demands of the 1980's and 1990's and is marked by the unity between continuity and renewal, the advantages and values of socialism were brought out more and more extensively and the quality of life was much enhanced for the citizens. Everyone can experience the reality of the values inherent in our society, such as a life in freedom, human dignity, justice, social security and

assurance of the future, remuneration in line with performance, high educational opportunities for all, participation in managing and directing the state, the economy, and public life, and the fashioning of meaningful life. To reiterate these values as achieved accomplishments of our working people, especially of our youth, is indispensable for forming and consolidating a class-bound position on socialism and the readiness to defend it.

Embedded in the implementation of the SED's overall policy, GDR soldiers are coshapers of this policy aimed at the safeguarding of peace and the well-being of the people. Socialist national defense, in line with any given concrete historic requirements, has helped make it possible for our socialist state to prove itself even under complicated conditions always as a cornerstone of peace in the heart of Europe. The GDR has always lived up to the state doctrine, set down even when it evolved—to see to it that war will never again emanate from German soil. "Peace has been, is, and remains our top concern," Comrade Erich Honecker explained. "That is served by our foreign policy, our military policy, the education of our young generation, and the all-round strengthening of our socialist fatherland."<sup>3</sup> To love peace, work for peace and defend peace—that is what determines the thoughts and acts of the GDR people and of the members of its Armed Forces.

The need and measure of public allocations for ensuring the military protection of socialism and the safeguarding of peace result exclusively from the extent of the military threat from NATO, are not dictated by wishful thinking. The 11th SED Congress explained: Fighting strength and combat readiness are and remain a decisive guarantee for ruling out military superiority on the part of imperialism.

This agrees with the principles for the military doctrine of the Warsaw Pact states. They are aimed at maintaining the military balance between the Warsaw Pact and NATO at as low a level as possible, settling international disputes peacefully, without the use of military means, and reducing military potentials to a measure sufficient for defense.

Right now, as a result of the socialist peace offensive, coupled with more activities by the peace forces all over the world, a shift is indicated from confrontation to detente in international relations; it was possible to turn back the immediate war danger. Even so, the most aggressive monopoly bourgeois circles have not given up their goals of destroying real socialism by use of military means. There still are imperialist circles toying with the idea of revenge, and they control important political, economic and military power positions. Moreover, influential forces of the military-industrial complex seek to block detente and to achieve military superiority over socialism through the "modernization" or "catch-up in arms buildup" of NATO military potentials and creating new first-strike systems for in-depth strikes.

Especially in view of the significant impulses the USSR, the GDR and other socialist states have provided through their unilateral leads in the form of reducing their armed forces, weapons, and defense budgets, the time has come for the authoritative political and military NATO circles to make a positive contribution of their own, as the nations expect, toward securing peace and disarmament.

In developing the necessary defense readiness level of our citizens one must therefore always take into account that "each step toward real disarmament must be fought for in contest against the military-industrial complex. The adversary does not do us the favor to stop the class struggle against us. He conducts constant class struggle against socialism, aiming to malign it, do harm to it and—if possible—push it back into the old capitalist order."<sup>4</sup> With that in view precisely we must not ignore now that there is still no guarantee for the irreversibility of the positive processes brought into the international situation.

There is still a long way to go from the thus far predominant principle of preventing war through military means to the principle of preventing war exclusively by political means, and tough struggle is ahead. Until this far-flung goal is reached securing the peace also by adequate military means remains an indispensable requirement for socialist peace policy. Pressing as it is to strengthen the efforts toward detente, disarmament, and building confidence, and as resolutely as the socialist states are pushing in that direction, it remains equally necessary to see to it in all sectors of our national defense, chiefly in our Armed Forces, that an adequate and secure military protection of peace and socialism always is ensured.

The socialist states' disarmament leads and their armed forces' defensive character raise the responsibility and contribution of all components of socialist national defense for an adequate level of defense capability. That mainly demands the development of its qualitative factors, which makes possible ensuring our requisite fighting strength and meeting our alliance obligations through fewer forces and means. That also implies a more efficient use of the given material resources and a more deliberate tapping of subjective impulses, as they result mainly from the identity between socialism and peace, the unity between the people and the Army, and the high educational level and political maturity of the citizens liable for military service.

What has been said thus far indicates: The place value of socialist military affairs in the struggle for peace and to ensure military protection informs the sense of soldierliness in socialism. Its profound content of maintaining peace, of preventing the weapons from taking over, fully conforms to the strict defense character of the Warsaw Pact states' military doctrine which unequivocally, openly, and emphatically set up the prevention of war as the goal of all military efforts. The sense of soldierliness

in socialism implies the readiness and will to protect the socialist order and our citizens' life in peace from any enemy and always to ensure the sovereignty, the territorial integrity, the inviolability of the borders, and the security of the GDR.

The greatest importance attaches to comprehending the sense of soldierliness, as in it lies, after all, the fulcrum and pivot of socialist defense motivation. It reflects the deep humanism of the socialist soldiers' military service.

In the new phase of the struggle to safeguard peace higher demands on socialist defense education, as an overall social concern, arise for the work of our party and for all political and social forces.

Active military service and reserve duty are the most important forms for assuming the right and honorable duty to defend peace and socialism. They make high demands on the political-ideological and the physical preparation of youth for military service, on ensuring a new generation of professional soldiers, and on the defense capability of the reservists.

Precisely because the qualitative demands made on the combat readiness of the NVA [National People's Army] and the GDR border troops are rising, military service preparation mainly is concerned with that all conscripts bring along the highest possible prerequisites for a selfless and ambitious fulfillment of the oath to the flag, be it in basic training or reserve duty, in extended-term service or in military careers. That is a profoundly political mission our party assumes for defense education in all social domains. Its fulfillment measures the contribution to consolidating our national defense. More than ever we may assume this today: "Strong motives for our actions stem from the knowledge that with the all-round securing of socialism and the safeguarding of peace the happiness of one's own family, parents and siblings, wives and children is protected. They especially must be made use of in socialist defense education and in securing a new generation of military professionals."<sup>5</sup>

Substantively that calls for concentrating our defense policy mass activity mainly on deepening the comprehension for the party's military policy and of the content of the military doctrine of the Warsaw Pact states including the task that will put it into action. Conducting discussions on the meaning of soldierliness in socialism down to the personal contribution to consolidating the defense capability—that is and remains an important component of the political-ideological efforts, especially, by the party's basic organizations.

An important campaign task for the party organizations in all sectors is to secure quantitatively and qualitatively the required number of new military professional recruits. Undiminished importance attaches here to the backing from the FDJ [Free German Youth] to its fulfilling its sponsorship for the armed organs. Growing

attention is called for regarding the reservists—especially in view of maintaining their defense capacity. High demands on the political-ideological work are due to the fact that the performance readiness in the military service is to a large degree also determined by the political climate in the work collective, the activities of the party, FDJ and trade union collectives and, not last, by the families.

Altogether it is a matter of strengthening the defense motivation of youth through highly efficient defense-policy publicity work, which includes providing a realistic picture of the tasks and demands of socialist military service. On these efforts rely also the assured experience and optimistic certitude "that the initiative-rich peace policy of socialism inspires and encourages the disarmament and detente process and strengthens international security. It is necessary, and it is worthwhile to give the best there is to it."<sup>6</sup>

#### Footnotes

1. Cf. DOKUMENTATION DER ZEIT, No 31, 1952, p 1389.
2. "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den XI. Parteitag der SED," Dietz Verlag, East Berlin, 1986, p 79.
3. "Rede auf der Festveranstaltung anlaesslich des 70. Jahrestages der Gruendung der Kommunistischen Partei Deutschlands" [Festive Speech on the Occasion of the 70th Anniversary of the Founding of the KPD], Dietz Verlag, East Berlin, 1989, p 54.
4. Kurt Hager, "Kontinuitaet und Veraenderung" [Continuity and Change], Dietz Verlag, East Berlin, 1988, p 36.
5. Horst Bruenner, "Aus den Diskussionsreden, 7. Tagung des ZK der SED" [From the Discussion Speeches—Seventh SED Central Committee Session], Dietz Verlag, East Berlin, 1988, p 126.
6. Heinz Kessler, "The Cards Are on the Table," NEUES DEUTSCHLAND, 30 January 1989, p 2.

#### EINHEIT Summaries of Selected Articles in April 1989 Issue

23000157a East Berlin EINHEIT in German  
Vol 44 No 4, Apr 89 (signed to press  
14 Mar 89) pp 290, 383

[Text]

#### High Performance of All Combines on the Way To the 12th SED Congress

[Summary of article by Dr Guenter Mittag, member of the Socialist Unity Party of Germany (GDR) [SED] CC Politburo, SED CC Politburo secretary for the economy;

pp 299-307. A full translation of this article was published in the FBIS DAILY REPORT: EAST EUROPE (FBIS-EEU-89-048, 14 Mar 89, pp 24-29), using the text from NEUES DEUTSCHLAND of 9 Mar 89, p 5]

From our social strategy's firm position, we are extending our integrated economic and social policies—one of the most effective signposts of socialism under the GDR banner—way beyond the year 2000. Among the most important tasks we are tackling with audacity, to ensure the performance growth needed for it, is a new step in perfecting management, planning, and effective accountability: fashioning, step by step, the comprehensive application of the principle of in-house production of means as an integral component of our socialist planned economy.

#### Tasks Aimed at Improving Labor Productivity

[Summary of article by Prof Dr Helmut Koziolk, member of the SED CC, rector of the SED CC's Central Institute for Socialist Economic Management; and by Prof Dr Otto Reinhold, member of the SED CC and rector of the SED CC's Academy for Social Sciences; pp 308-314. A full translation of this article is published in this report]

Annual national income increases must come exclusively from increasing labor productivity. Three crucial conditions for it are analyzed here: the modernization of the material-technical base, without which no modern products of high economic efficiency can on the long run be produced; efficient combines which comprehensively apply the in-house production principle, whereby to provide means of accumulation for intensive expanded reproduction; and full and economically more effective use of the social labor capacity, to increase the productivity of live labor.

#### Productivity—the Common Denominator of Science and Production

[Summary of article by Klaus-Dieter Gattnar, first deputy general manager of the VEB Carl Zeiss Combine in Jena; pp 315-319. A full translation of this article is published in this report]

More and more technology is settling on the boundary line between science and production. Through what happens there, early decisions are made on technical-technological top performances and the dynamics and economy of the reproduction process. Given the whole variety of tasks, correlations, or structures, there still are experiences worthy of being emulated relative to efficient organization, which are being presented from the vantage point of the Zeiss Combine.

#### Investments for High Performance Growth

[Summary of article by Prof Dr Gudrun Langendorf, deputy director of the Institute for the Political Economy of Socialism in the SED CC's Academy for Social Sciences; and by Prof Dr Eberhard Prager, director of the same institute; pp 320-326]

The size and efficiency of investments largely control economic efficiency growth and the continued successful implementation of our integrated economic and social policies. How can we reach higher economic effects through these investments while also improving their social efficacy? How can the preparation and implementation of investments projects be improved in quality?

#### Modern Technologies and Working Class Development

[Summary of article by Prof Dr Albrecht Kretzschmar, research manager at the Institute for Marxist-Leninist Sociology in the SED CC's Academy for Social Sciences; and by Prof Dr Rudi Weidig, director of the same institute and chairman of the sociological research science council; pp 327-334]

Refuting the notions that the productive use of modern technology presumably diminishes the importance of the working class, it is explained that the working class is and remains the chief political force our country still has during the scientific-technical revolution. How do modern technologies alter the substance and nature of labor? What implications does that have for the structure and social profile of the working class and, hence, for management?

#### Continuity and Renewal on Our Path

[Summary of article by Prof Dr Manfred Banaschak, member of the SED CC, department chief in the SED CC, and editor in chief of EINHEIT; pp 335-341]

Also our image of socialism is informed with the thought of development, of a social order in constant flux and transformation. What changes, consequently, did take place as profoundly as undramatically in our public life? And how do we, with the unity of continuity and renewal, face the new requirements for the continued shaping of developed socialism? About Marxism-Leninism as a sure compass and the responsibility of all party organizations and each and every communist to champion the party positions in their spheres of responsibility and enforce its resolutions uniformly.

#### Two Alliances and Europe's Interests

[Summary of article by Maj Gen Werner Huebner, section head of the SED Central Committee; pp 342-347. A full translation of this article is published in this report]

The representative of the Warsaw Pact states and of NATO—in existence for 40 years by now—are sitting around the negotiating table in Vienna. They are dealing with conventional disarmament from the Atlantic to the Urals and—together with the neutral states—with confidence and security building measures. Which obstacles is NATO setting up with its course of “modernization”

and nuclear "deterrence," and which favorable preconditions arise, in contrast, from the initiatives and unilateral leads by the socialist states? How can military confrontation be brought down, and why is that a vital necessity for Europe?

#### Scientific-Technical and Socioeconomic Processes in Capitalism—Challenges for the Communists

*[Summary of article by Prof Dr Lothar Winter, deputy director of the Institute for Imperialism Research in the SED CC's Academy for Social Sciences; pp 348-354]*

Coercion, use and misuse of scientific-technical progress on behalf of the profit system and the concomitant changes in the situation and structure of the working class are subject to more ideological and political conflicts in the capitalist countries. How do these processes affect the development of proletarian class consciousness? What expresses—while it gives the lie to the bourgeois thesis of the "disappearance" of the proletariat—the further shaping of the public role of the working class? How do the communist parties relate to the new problems, and what is the trend in the answers they give?

#### I Went to Where the Future Is

*[Summary of article by Prof Dr Wolfgang Kiessling, staff member of the Institute for Marxism-Leninism under the SED CC and president of the GDR-Mexican Friendship Society; pp 355-360]*

Ludwig Renn—one of the remarkable fellow travelers of our history and a cofounder of our socialist German national culture. What induced Arnold Vieth of Golsenau, a member of an obsolete class, to struggle with himself to adopt the positions of the revolutionary workers class? How did he, in party ranks, realize the principle of his life to be of use to society? Obviously, Renn's achievement, the importance of all he can be to us today, can be gathered not solely from his books but, more fully, through his total life's work.

#### Testimonies of Early Cultural History and Their Interpretation

*[Summary of article by Prof Dr Joachim Herrmann, director of the Central Institute for Ancient History and Archeology in the GDR Academy of Sciences, member of the GDR Academy of Sciences and of its Presidium, and president of Urania; pp 361-364]*

About tapping, preserving, and using the historic-cultural legacy from early historical periods found on GDR territory. Its importance for fashioning our image of history, deepening the socialist homeland and history consciousness, the preservation and shaping of the historical profile of the culture of our country's towns and villages and, hence, for the well-being of its citizens.

## HUNGARY

### Free Democrats Reject 'Hungarian Way,' Want 'Positive Discrimination'

25000180 Budapest MAGYAR NEMZET in Hungarian  
17 Mar 89 p 5

[Interview with Ivan Peto, member of the Program Committee of the Association of Free Democrats, by Istvan Boros: "There Is No Third Road! Ivan Peto Talks About the Goals of the SZDSZ, About Being Excluded and About What Worries People"; date and place not given]

[Text] On the 19th of this month, Sunday, the Association of Free Democrats [SZDSZ] will hold the first session of its public congress in the Corvin cinema. The goal of the session is to inform the membership on the Association's recently completed program proposal and to debate its contents. We are talking with Istvan Peto, one of the proposal's editors, and we try to focus on the points and characteristics that make up the substance of the program.

[MAGYAR NEMZET] Your program proposal states right up front the fact, acknowledged by everyone, that Hungary is undergoing a period of crisis. At the same time, it adds that it is the system that is in a crisis. What do you mean by that?

[Peto] That whatever we used to call socialism is in a crisis. The economy cannot be reformed piecemeal, while it is also impossible to change the whole mechanism of the economy itself. We cannot escape the crisis either by introducing political reforms solely in the interest of making economic changes or by separating political reforms from economic ones.

#### Living with Self-Discipline

[MAGYAR NEMZET] It appears that the players on the Hungarian political scene are tortured by certain anxieties. How could we prevent these fears; and, in the opinion of you and your associates, how could we create the political program of the transition?

[Peto] The way I see it, the MSZMP [Hungarian Socialist Worker's Party] is presently worried that the politically inactive segment of the population, the silent majority, may erupt in rebellion, or else the party would suffer a devastating defeat in a genuinely free election, and this would be followed by a changing of the guard involving hundreds of thousands of people. The leadership's fear is also motivated by the fact that our country's political and military allies do not tolerate the changes which were in part brought about and stimulated by the MSZMP. The independent organizations, on the other



hand, are afraid that the MSZMP would suddenly put an end to the current development and, using force if necessary, break the democratic efforts; just as it is conceivable that the party would win the new election in an overwhelming manner. Nor is it an invalid fear that the MSZMP would use the time before the next election to strengthen its present position by creating legal forms for them, thus attempting to preserve its monopoly of power. Thus, in order to develop a political program for the period of transition, both sides should exercise self-discipline. In this process, the MSZMP should declare that it considers itself bound by the agreements it makes with the independent organizations, that it keeps the armed organizations away from the political struggle and under no conditions will it suspend political and civil rights. At the same time, the independent political organizations could declare that they would refrain from using violence or incitement for violent actions. In addition, they should pledge that, regardless of the next elections' outcome, they would not unilaterally alter our country's treaty obligations, and that they would recognize the property relationships created by nationalization and collectivization; which, of course, does not mean that a reform of property relationships would be tabled. They should also declare that they would not initiate legal process against anyone on account of decisions made earlier.

[MAGYAR NEMZET] What course does the Association of Free Democrats consider feasible?

[Peto] Notwithstanding the fact that we recognize the inevitability of certain compromises, we are not considering the possibilities offered by a so-called Third Road. Inasmuch as there is a "Hungarian Road," it would not be between the two social systems, but would lead from one toward the renewed other.

[MAGYAR NEMZET] Please, explain this in greater detail, because from what you said, it appears that your view on this issue is fundamentally different from the rest of your views.

[Peto] The various "roads" promoted throughout Europe led either to right wing dictatorship or left wing totalitarianism. We feel that it is illusory to believe that Hungarians have a special mission, and that we, in the middle of Europe, could establish a socialism that is different from the one existing in the East. In other words, our program rejects any concept that sees esthetic values in backwardness, because we feel that there is no third road between development and backwardness. Thus, we do not share the Utopian view concerning the feasibility of a "Garden Hungary" that would be able to escape the contradictions of capitalism and socialism alike. Nor do we believe that reform communism is a realistic alternative."

[MAGYAR NEMZET] In making such a proposition, your Association may find itself on the periphery of political life. Could you back up your last statement?

[Peto] We consider reform-communism Utopian, because if it is based on the dominance of state property and the hegemonistic power of a single party, all it can offer is well-meaning enlightenment, and remains fundamentally the same as the present crisis-ridden system. On the other hand, if it abandons these two basic tenets, than it will not differ from parliamentary democracies and the systems that are based on market mechanism. In contrast to the "third road" concepts that are influenced by populist and reform communist ideas, we also have moral grounds to reject reform dictatorship, along with all other forms of dictatorship, as an inhumane and futile endeavor.

[MAGYAR NEMZET] In view of the above, how do you visualize your negotiations with the MSZMP? Have you discussed the subject and manner of such negotiations?

[Peto] We feel that we must have bilateral negotiations, because under such conditions, the two sides, the MSZMP and the independent political organizations, will legitimize each other. The negotiations must focus on two broad topics: creating the fundamental laws that should be put into effect before the next elections, and eliminating the MSZMP state party status. I would like to add here that we feel that in the present unresolved and transitory situation it would be premature to formulate a new constitution. We also propose that a head of state and constitutional judges should not be named before the new, democratic elections.

[MAGYAR NEMZET] How did you arrive at this conclusion? After all, the surface of political life seems to indicate the existence of a consensus, according to which a basic law should be created as soon as possible. Are not you worried that your view will isolate you?

[Peto] No, because a constitution that is based on momentary power relations and concessions, instead of stable norms, could only lead to destabilization and confrontation. This would give the MSZMP an opportunity to save its hegemony of power, while seemingly respecting the constitution. Only a National Assembly legitimized by free elections should be allowed to ratify a constitution.

#### Fundamental Laws

[MAGYAR NEMZET] What do you propose, instead of a constitution?

[Peto] What we need are so-called fundamental laws. Under the present conditions, this includes a major revision of the Criminal Code, a revision of the recently adopted laws concerning associations and organizations, the legal definition of the status of political parties, as well as new laws concerning elections and the means of communication and information.

[MAGYAR NEMZET] Still, I feel that the constitution would offer certain guarantees.



[Peto] That is what we are worried about; that the new basic law would give an opportunity for a certain preservation of the present conditions. The constitution could be suspended anytime and, as I have said, it could be used to salvage the power position of certain groups.

[MAGYAR NEMZET] The section concerning economic life in your proposed program includes statements on the EC and the CEMA. Please, explain the relationship between these two, looking at it from the Hungarian point of view.

[Peto] Belonging to Europe would mean a competition between foreign labor force, capital, and commodities on the Hungarian market. Reducing the tensions accompanying these phenomena, and compensating firms for the business losses that would result from the structural changes in the marketplace would be difficult policy-making tasks to be faced by the government. We also recognize that international integration has the side effect of withering national cultures and relegating them to secondary importance. However, even with these disadvantages, we see no other way for us to catch up and to prevent drifting to the periphery of international distribution of labor. It is also imperative that our contacts with the CEMA be reorganized, because under the present conditions we cannot count on a radical renewal in that organization which was originally created for the purpose of manipulating bilateral natural trade among centrally managed economies. On the other hand, this also means that the CEMA will continue to be a permanent and intensive transmitter of influences and effects countering the European economic traditions. Realizing this, however, also means that we cannot strive to leave the organization. After all, no country, regardless of how small it is, can abandon the markets offered by its neighbors.

#### Masses That Lag Behind

[MAGYAR NEMZET] As long as we are talking about the relationship between our country and its allies, we could not avoid asking you to describe your position on the Warsaw Treaty Organization, with special reference to the fact that Hungary's departure from that alliance system was a major factor in the events of 4 November 1956.

[Peto] It is one of our basic principle that we look at the 1956 declaration of neutrality as part of our heritage. We continue to strive for the independence of our country. Our program proposal will probably propose that Hungary should not unilaterally exit from the Warsaw Treaty Organization, while demanding the rejection of the so-called Brezhnev Doctrine, and a fundamental proclamation to be made by the Political Advisory Council [of the WTO] to the effect that no domestic problem of the member states be used as a pretext for intervention by other members of the Treaty Organization. We also continue to demand that, based on an agreement with the military leadership of the WTO, units of the Soviet

Army should leave Hungary. We hope to reach the point where universal military conscription is eliminated in Hungary, and the Armed Forces will consist of highly qualified professionals.

[MAGYAR NEMZET] The program declaration of the SZDSZ contains the following passage: "One of the most damaging symptoms of the crisis in Hungarian society is the permanent split existing between a majority with a well established, European style of living and existential security, and a minority whose members have no prospects, live in Asiatic conditions, reproduce irrepressibly, and lack education and training. At this time, these two large segments of Hungarian society are divided by a schism that seems unbridgeable." Your diagnosis seems accurate to me. However, what would you recommend to remedy the situation?

[Peto] The only way the masses that lag behind could have a chance to catch up is through positive discrimination; that is, if a machinery especially designed for this purpose were to create equal basic opportunities by compensating individuals for disadvantages that they could not remedy on their own. This is justified by the fact that alienation leads to barbaric and inarticulate defensive reflexes, which can threaten with explosion. One cannot avoid mentioning that alienated social groups without prospects are easy prey for various pseudo-Fascist ideologies. The spread of such ideologies, taking advantage of ethnic differences, could turn the alienated social groups against each other and could create pogrom-oriented moods. Nor can we ignore that the defensive conservative passivity of such alienated groups could make them the allies of fundamentalist law-and-order factions within the MSZMP. Moreover, in their present status these uneducated millions seriously hinder not only the efforts to improve our economic effectiveness, but also our societal consolidation.

#### [Box p 5]

Thursday morning, the Kossuth Club was the scene of an international press conference: Leaders of the SZDSZ talked to the press about preparations for their Sunday congress. The first half of the conference was, naturally, devoted to talking about the peaceful demonstration that took place on 15 March. Imre Mecs, speaking on behalf of the SZDSZ, acknowledged the changes in the mass media, and asserted that, in his opinion, the press gave less than adequate attention to the memorial events initiated by the independent organizations, and Hungarian Television broadcast the whole text of the 12-point demands, signed by 31 organizations, only during its late night program. Answering a question, Janos Kis emphasized: It is true that this year the independent organizations were free to celebrate the anniversary of the 1848 revolution; however, this is not a democratic, legally ensured right, but rather something derived from the weakness of the system.

It was announced during the press conference that work has been completed on the SZDSZ' 80-page program proposal, which will appear in print within a few days. The proposal consists of four independent parts that are based on shared principles.

The SZDSZ will discuss the program proposal in two sessions: This Sunday's public meeting, starting at 0900, will be continued next Sunday, 16 April, also in the Corvin cinema. The sessions are open to everyone; of course, only SZDSZ members will be allowed to vote.

## POLAND

### Democratic Party Congress Reflects Delegates' Frustrations

26000484 Warsaw PRZEGLAD TYGODNIOWY  
in Polish No 18, 30 Apr 89 p 3

[Article by Janina Paradowska: "The Harvest Surprised the Harvesters" subtitled "Rubberstamp Makers Are Still Waiting, but the Banners Already Are Being Embroidered"]

[Text] People do not change. Therefore, they have to be replaced. Regardless of what one may think about the validity of this saying, it is a fact that it has been circulating among many voivodship committees of the Democratic Party long before the commencement of its 16th Congress. It has also produced a harvest which surprised the harvesters themselves. When, several hours after the official closing of the deliberations, after midnight on April 21, the Credentials Committee made an announcement about the results of the elections to the national leadership of the Democratic Party—the Central Committee, the Auditing Commission, and the Party Court—it turned out that nearly the entire incumbent presidium, headed by Tadeusz W. Mlynczak, was "felled" (the only reelected incumbent members being Prof Jan Janowski and Jozef Musiol), along with all secretaries, all department directors, and also many other prominent activists of the Democratic Party. The newly elected leadership consists of new people, mostly completely unknown to the previous leadership. The persons I talked with, workers of the SD [Democratic Party] Central Committee aparat, used, properly speaking, one word, "pogrom," to describe what had happened.

There were many surmises as to the reasons for this happening. Some people thought that it was because the delegates from the smaller voivodships "cut down" the candidates from the larger ones, while others believed that too many lists of candidates to be crossed off the ballot were circulated in the auditorium, which resulted in that everybody crossed everybody else off the list, and others still pointed to the well-known rule that it is the dark horses who win most easily because no one has cause for crossing them off the ballot. I myself, however, after 4 days of observing the Congress, am prone to

conclude that the delegates simply acted very consistently. From the very first day, from the very first time the floor was taken, the desire for changes—big and small, serious and at times ludicrous—was obvious to this observer, as were the reasons for this attitude.

The delegates arrived at the Congress frustrated and burdened by many complexes, principally by the inferiority complex due to the subordinate position of the SD in the tripartite [PZPR-ZSL-SD] coalition. From the podium and offstage they complained about having made so many proposals for a change but being given no credit once the time came to adopt them. "Others appropriated our ideas and claimed them as their own." The Chairman of the Congress Prof Slawomir Dalko declared already in his opening address, "We waited 40 years for the Constitutional Tribunal, 26 years for the Tribunal of State, 24 years for the Supreme Administrative Court, and more than 30 years for instituting the office of the President of State." The first delegate to take the floor, Bogdan Rymaszewicz of Gdansk, pointed out that the forecasts for the future are not any better either. The recent allocation of seats in the future Sejm means that the PZPR and the ZSL [United Peasant Party] will have their majority and once again the SD will be an unwanted partner whose voice does not count. Since that is so, must the coalition be permanent? The leadership of the SD should be enabled to withdraw from the coalition if it considers it to be detrimental to the interests of the SD.

The future also means the elections scheduled for 1993, of which it is said nowadays that they are to be completely free elections. Prof Jan Janowski told me, "We view the present allocation of Sejm seats as favorable to us, since in genuinely free elections we would not have gained as many seats as were allocated to us under the roundtable agreement. And this precisely is the reality, even though the delegates grumbled about, as they put it, 'bones thrown to us from the roundtable.'"

The present situation is bad but in the future it may grow still worse, as everyone realized. Thus, something has to be changed. Following the election of Jerzy Jozwiak to the office of chairman of the SD Central Committee, I asked one of the invited guests, a longtime member of the SD, what was the reason for the defeat of Tadeusz W. Mlynczak, who after all supported a program of action which no one objected to and which everyone thought good. He answered, "The delegates want a change, anything so long as it is a change." And although there were many speculations concerning Jerzy Jozwiak's victory, and some people were ready to swear that his victory was decided by youth, which resented the defeated incumbent's lack of energetic support for the registration of the Union of Young Democrats, while others thought that the support for the new leader came from craftsmen, it seems to me that my interlocutor's opinion was to a large extent right.

The entire Congress took place in an atmosphere of practically feverish exploration of possibilities for a change. "We cannot return unless at least the name of our party is changed," claimed the Gdansk delegates, regarded as the most radical group next to Warsaw's. Besides they had plenty of support on this matter precisely. When a Gdansk delegate proposed at the outset of the discussions changing the name to the Polish Democratic Party, he received tumultuous applause. The proposal was later put to vote and it turned out that the new name had 480 supporters (there were 780 delegates) and 280 opponents, with the remainder abstaining. But the Bylaws Committee declared that changing the name would require a change in bylaws requiring a majority of two-thirds of the votes. Fortunately, the vote fell short of that majority by about 20, though had the supporters of the new name made the effort to get some more delegates to be present, they might have won. Besides, it must be admitted that they did not give up completely. Entire hours were spent on discussing the possibilities for putting the issue again to vote. The Bylaws Committee was accused of formalism, the argument being that at such historic moments the dead letter of the law should not be followed, that genuinely revolutionary methods must be resorted to in revolutionary times. The feverish discussion reached its peak when one delegate cried, "But what legal foundations did the October Revolution have?" The effect was to shake the poise of the chairman of the Bylaws Committee and to cause some consternation in the auditorium. Not all the delegates were ready to accept such a comparison. To be sure, the argument that in the public awareness the SD is not equated with the PZPR and is regarded as less important, and therefore, if it keeps its present name, it will not regain its credibility even if it changes itself markedly, was a telling argument. However, pointing to, of all things, the October Revolution as an argument in favor of changing that name at a time when all the documents stress that the SD will aspire to establish in Poland a parliamentary democracy without any qualifying adjectives, is going too far.

The issue of changing the name at the Congress is not closed. The Democratic Party still keeps its present name, but a referendum is to be held among its members by year end, and if two-thirds are in favor of the new name, the Polish Democratic Party, then a Convention of Democrats (a new institution, included in the bylaws as a convention of delegates who retain important Congress mandates) will be held to accomplish the name change. Thus, the makers of rubberstamps for the newly elected leadership must still wait, but seamstresses expert at embroidering banners will have plenty of work to do.

For the desire for a change has spread to the SD's emblem as well. Until now it has depicted a stylized eagle against a red background, and at first only the question of whether the eagle was to be more or less slender was disputed. Later, however, it turned out that the background and crowning of the eagle were more important. [The crown on the eagle was removed by the communists

from the national emblem after their seizure of power.] When on the 4th day of the Congress, on Friday 20 April, I entered the Congress Auditorium to witness the closing ceremony, I met offstage a nervously pacing member of the previous leadership. "We just crowned the eagle and changed its background to a blue color. I went out for a smoke," he told me rapidly and nervously. That precisely was also an aim of the delegates desirous of a change. The SD should doff the red color and don a blue hue. A blue background for the eagle, blue streamers for adorning the national flags, and blue membership cards. "Why is it that the leadership discriminates against the rank and file and itself already has blue membership cards while it still gives red cards to the plebs?" one delegate even asked. Properly speaking, there was no opposition to the color blue. But as for crowning the eagle, that was an impetuous action. "If we postulate restoring the name of the Polish Republic [in lieu of the Polish People's Republic] and support restoring the crown to the national emblem, why should our own eagle remain without a crown?" asked another delegate, and it was difficult to accuse him of inconsistency in posing the issue. Subsequently the reporters accredited to the Congress asked, not without ironizing, what other Democratic Party in the world uses rubberstamps bearing insignia of a monarchical origin, but I am not sure whether this is a pertinent question.

However, crowning the eagle and positioning it against a blue background caused another problem. Namely, the 3 of May Holiday [the anniversary of the Polish Constitution of 1791] is approaching, and this holiday is celebrated with special pomp by the SD as both a national holiday and its own holiday. It will simply be impossible to embroider new banners before that date, and hence that holiday will have to be celebrated with an eagle against a red background, which is no longer consonant with the SD's bylaws. It was therefore resolved that the red color is permissible during the transition period.

The discussion of symbols revealed that the SD as the only one among the parties in the ruling coalition has no hymn of its own. Therefore, it was proposed that either "Warszawianka" be adopted as the official hymn or a contest for a completely new song be announced. A delegate from Wloclawek even brought a taped song (which he played from the podium), the first for the contest, which begins with the words, "In the blue field the white eagle watches."

It must be said that the discussion of symbols, colors, and hymns was not equally to the taste of all the delegates. Some objected that the Congress should deal with more important issues, and a few even declared that this kind of discussion makes the delegates look ridiculous. I would not be as severe in my judgment. For if we consider the heavy baggage of small-party complexes carried by the delegates and their violent desire to cleanse themselves of the stain of the past in which they were called "a PZPR annex" and "the Party of the

Quaking Ones," the desire to restructure not only the program of action but also the facade, or at least to gain some prestige, becomes understandable.

Besides, it so happened that at that congress, with its determination to change whatever could be changed, it was the SD's program itself that changed the least. This program was discussed during the plenary sessions and at the working meetings of 10 taskforces, but it was amended only in minor ways, because many proposals (e.g., establishing the Presidency of Poland) were no longer topical. The main objectives of the program did not change, because they could not be changed: the establishment in Poland of a system of parliamentary democracy, the complete application of the principle of the separation of powers [executive, legislative, and judicial], the adoption of the principle of sovereignty of the nation—thus putting an end to the idea of the class state, and the reassessment of the principle of the leading role of the PZPR in the state, that is, emphasis on the leading role of the entire [PZPR-ZSL-SD] coalition only during the transitional period [until elections are completely free, in 1993]—all this had been proposed by the SD as early as last September, and no one has questioned these goals at the Congress. The program of change which the SD desires to promote is a radical program, suiting the radical mood of the delegates. However, doubts were elicited by the actual approach to translating into political reality the program planks.

It was thus no accident that the discussion centered on the place of the SD in the tripartite coalition, and it was no accident that the comments made on this subject grew increasingly sharper. Consider for example the following comments:

"We should not assume in advance that the coalition alignment is our salvation. In the coming June elections [to the Sejm and the new Senate] we will be dealing with democratized electoral laws and at the same time with a castrated SD for which the number of seats allocated to it in the Sejm was slashed. We should make it clear that the SD as a party aspires to govern the country."

"The coalition cannot be decreed once and for all. The SD program outlines the vision of a democratic state in which the primacy of the individual finally is recognized, and we should act energetically to translate that vision into reality."

"We should call this Congress the Last Chance Congress. This is our last chance to become a permanent fixture of the Polish political landscape. We cannot become it so long as we remain entangled in a coalition which has never been a genuine coalition and still is not one. The present allocation of seats in the Sejm proves that the worker-peasant alliance continues to gain strength, that the premise of Bierut's constitution is yet again victorious."

"So far we have been unmatched in agreeing to compromises. Now we must learn how to resist if we want to survive at all."

One delegate even suggested that the Congress consider whether the participation of the SD in the current ruling coalition is consonant with the interests of the SD, and questioned its rationale. All this has been said from the podium. Offstage, examples of manipulation of the SD, of extorting its subservience, and turning the Coordinating Commission into a forum for rubberstamping decisions taken elsewhere, were given. Also mentioned, both from the podium and offstage, were the weakness and subservience of the SD's leadership, and the management of the SD in a manner precluding the emergence of natural and distinctive leaders (apart from exceptions that can be counted on the fingers of one hand). Ultimately, a plank declaring the possibility of withdrawal of the SD from the ruling coalition in the future was added to the program.

Thus, the stenographic records of the Congress represent a sea of expressed grievances. When the delegates departed from the Congress Auditorium after 0300 hours on 21 April, a new national leader (elected not without difficulty, following a third balloting and a change in bylaws), a new Central Committee, and a new program [plank] remained on the field of the 4-day battle. The program [plank, namely, the resolution that the SD may withdraw from the ruling coalition if it so wishes] is not the only surprise. A time for commentaries also remained. The first commentary was a question, asked of me by a Warsaw delegate, whether I noticed that the main edition of *DZIENNIK TELEWIZYJNY* did not even mention last Friday's press conference for domestic and foreign reporters, given at the offices of Interpress Press Agency by the new chairman Jerzy Jozwiak? Yes, I noticed.

#### **Malanowski on New Pluralism, Changing Nature of PZPR Coalition**

*26000447 Warsaw PRZEGLAD TYGODNIOWY  
in Polish No 15, 9 Apr 89 pp 6-7*

[Interview with Dr Jan Malanowski, professor, Institute of Sociology, University of Warsaw, by Leszek Bedkowski: "Unassigned Roles"; date and place not given]

[Text] [PRZEGLAD TYGODNIOWY] On scrutinizing all hues of the press, both official and underground, I made a list of the various political orientations followed nowadays by more or less organized groups of Poles. For example: social democracy, liberal socialism, Christian socialism, liberalism, democratic liberalism, Christian liberalism, progressive Catholicism, Christian democracy, national democracy, Neo-Endecja [patterned after the prewar nationalist National Democrats], national

left, national liberalism, conservative liberalism, enlightened liberalism, movements for realistic politics, independence movements, agrarianism, and ecological, alternative, nationalist, populist, etc., movements. Can you orient yourself among them?

[Malanowski] The multiplicity of initiatives demonstrates chiefly that the attempt to create a politically united society was a resounding failure; that people desire to speak in their own voice; and lastly that the barriers of fear have been surmounted.

[PRZEGLAD TYGODNIOWY] Of a certainty, many citizens had been dreaming of such freedom but nowadays they feel confused by the diversity of proposals and initiatives. What could be the nature of discrete political programs in the Poland of A.D. 1989? How does liberal socialism differ from social liberalism, or a national leftist from a national liberal?

[Malanowski] Don't worry; that will sort itself out. I think that this multipluralist situation is a transient one. It is due to the disruption of social life until now and hence also to the absence of social bonds and of circulation of thought. As a result, once the possibilities for self-organization arose, everyone began to think—but in relation to his particular milieu. Assuming that political pluralism had ended in 1948, the first attempt since then to create a supralocal organization was Solidarity in the year 1980. I remember, of course, such earlier initiatives as the KOR [Committee for the Defense of Workers] or the "Experience and the Future" Seminar, but after all their scope of influence was much more modest.

But before we analyze those contemporary movements which do not rely on Marxism, allow me to point out that equally interesting are the evolutions occurring in the official political structures. Still, I have not so far encountered in the press any serious attempt to analyze what is happening within the PZPR or the ZSL [United Peasant Party].

[PRZEGLAD TYGODNIOWY] You realize that this is a daunting task, do not you?

[Malanowski] But a necessary one.

[PRZEGLAD TYGODNIOWY] Perhaps we should consider that such attempts already are being made. Take for example the first at random: the series of articles on the Social Democrats in TRYBUNA LUDU, articles lacking that heretofore well-known mordant and castigating tone. This points to an attempt to cease demonizing the concept of social democracy. Furthermore, prominent PZPR activists are granting interviews in which they declare that they can conceive of situations in which their party might lose elections. Does this not tell us which way the wind is blowing?

[Malanowski] The Polish tradition is to identify social democracy with the PPS [Polish Socialist Party]. Intense attempts to eradicate traces of that party had proved fruitless. The currently observed reversion to the traditions and thought of the PPS is something that may rescue the purity of the concept of socialism, a term that has been devalued.

[PRZEGLAD TYGODNIOWY] And, I think, one whose definition has become blurred in Poland.

[Malanowski] And obdurate attempts to keep that concept itself alive have produced lamentable consequences. Whoever coined the concept "real socialism" was unaware that he dug the grave for that idea. Such a concept of "socialism" accommodated all kinds of travesty, the entire bureaucratic system, total centralization of the life of the society, ideological monopoly, and etatization, that is, all the things absent in genuine socialist thought. On the one hand there was the etatization of ideology and on the other, the State was to be one of the instruments of ideology.

[PRZEGLAD TYGODNIOWY] A columnist who is well known for his dazzling contraries has commented that two different BBWRs have arisen in Poland: the Nonparty Bloc for Cooperation with the Government [BBWR] and the Nonparty Bloc for Combatting the Government [also abbreviated "BBWR" in Polish].

[Malanowski] There is something to it. The attitude toward the authorities has become the criterion for evaluating one's political views, with the monopoly on that evaluation belonging to the authorities.

[PRZEGLAD TYGODNIOWY] We thus have a point of departure for assessing the changes taking place within the PZPR.

[Malanowski] Several major factors are involved here, but let me omit those proofs of program evolution which are being stressed by those directly involved. I shall merely try to complement the picture. Consider that the PZPR has admitted for the first time the existence of factions within it—something that it had modestly kept silent about in the past. Yet at least two groups, the custodians of ideological purity and the reformers, have always existed within that party. The latter group has most often been combatted. This resulted in what we might term problems of a personnel nature that were encountered by the party when it finally resolved to reform itself. Many natural allies of the changes currently occurring within the party had in the so-called meantime found themselves outside the PZPR.

Next issue: attempts were undertaken to demystify the principle of democratic centralism. That principle is the residue of the concept of the so-called Leninist party of the new type which had arisen at a time when the party was in the conspiratorial underground and prepared itself to overthrow a system hostile to it. And afterward,



owing to force of inertia, this principle continued to be binding despite the changed situation, and in such a form at that that democracy was a mote while centralism was a beam.

Finally the party itself resolved to redefine its position in the society and, after it had missed the boat in 1956 [accession of Gomulka to power, workers' bread riots in Poznan] and in 1970 [workers' massacre in Gdansk], it finally did so at its Ninth Extraordinary Congress in 1981. Later, however, there was the Tenth Congress, which was something completely different. Now demands for rehabilitating, so to speak, the resolutions of the Ninth Congress are being increasingly voiced.

[PRZEGLAD TYGODNIOWY] Professor, sir, how do you view the changes occurring among the allies of the PZPR?

[Malanowski] First a general remark: when it first created the concept of itself as the hegemonic party, the PZPR had not envisaged the advent of a moment when the "lesser" parties [the ZSL and the SD (Democratic Party)] in its coalition would, on the one hand, advance claims of their own, and, on the other, refuse to accept responsibility for the past on the grounds that they were not allowed to make themselves heard.

Now the ZSL and the SD want to free themselves of the PZPR's tutelage. This too is a new element in our political life and, in analyses of the situation in Poland, this issue is receiving too little attention.

This new situation can be defined in one sentence: For the first time the ZSL and the SD want to treat the coalition seriously. The most significant demand they are making is that the coalition in the Parliament be the majority as a whole. If that is so, then the PZPR has to seriously take into consideration the programs and interests of its allies. For there exists the possibility that, e.g., ZSL deputies may simply abstain from voting if they do not agree with a motion, and then the PZPR may have problems in getting its motion passed. This means, among many other things, an opportunity for introducing in the Parliament authentic discussion and the principle of bargaining. In other words, the PZPR must relinquish "mechanical" solutions in favor of political ones.

[PRZEGLAD TYGODNIOWY] The ZSL and the SD are indeed exploring their roots. So far rather, the related moves are symbolic ([new attention paid to the prewar peasant party leader Wincenty Witos, Democratic Clubs], and if there is any agrarian emphasis within the ZSL it has escaped the attention of observers.

[Malanowski] Symbols always are important. If emphasis is shifted from "the Will of the People" to Mikolajczyk [the leader of the old Peasant Party], this means that the ZSL shows it is aware of its genuine beginnings [rooted in the old Peasant Party], and both the ZSL and

SD manifest their awareness that they had been founded by, among others, communists especially assigned for this purpose, and this is finally being mentioned without beating around the bush.

In this exploration of selfhood the ZSL, for example, should explore more deeply the genesis of the peasant movement, one of the oldest social movements in Poland. Here, too, symbols are helpful. And what about agrarianism? Well, at present this is not a concept with a future. I would view it too in terms of a symbolic reference to forgotten wellsprings, an exploration of the historical legitimacy of the ZSL.

[PRZEGLAD TYGODNIOWY] It is worth noting that nearly all movements harken back to "old" political ideas but usually treat them selectively and pick out only some of the old program planks.

[Malanowski] No political movement, however much it appeals to the tradition of its predecessor, can operate on the basis of an ideology that had been formulated in a different sociopolitical context.

[PRZEGLAD TYGODNIOWY] Some people are even warning against the adverse consequences of donning a historical costume.

[Malanowski] This comment should apply to not only unofficial but official political structures. One should appeal only to the principles which history could not demolish and which therefore passed the test of viability and continuity. As for the rest, that has become history.

[PRZEGLAD TYGODNIOWY] There still remains one element of the present coalition, namely, the PRON [Patriotic Movement for National Rebirth] along with the secular Catholic movements. This is interesting: although ideologically distant from socialism, they have hardly resisted "buying" real socialism.

[Malanowski] Of these secular Catholic movements the leading and oldest one is the PAX Association with its independent views on the economy. I am aware that its influence is limited. I will also gloss over any question relating to its cooperation with the PZPR. But I want to give credit to PAX where it is due. The PAX was the first, in the persons of Piasecki [Boleslaw Piasecki, its founder] and Reiff to ask itself the simple question of how can socialism be built in a Catholic society. This question was much later asked of themselves by, among other people, the activists of the Italian Communist Party. The PAX found its own answer, one which I shall not comment upon. Other answers are possible. But this question is facing all the Christian-Catholic movements in Poland. Real life has proved wrong the thesis of communism that the spread of atheism is a simple function of the educational level of people. But those Christian-Catholic laymen who are, unlike the PAX, not sanctioned by the State, also face several problems that need to be analyzed.

[PRZEGLAD TYGODNIOWY] This question has long been considered by those unsanctioned Christian Catholic laymen, as demonstrated by the history of the Znak Association, the WIEZ [Catholic periodical], and the KIK [Clubs of Catholic intelligentsia] movements. The social teachings of the Catholic Church recommend to Catholics participation in public life. But, as I was once told by Prof Ryszard Bender while interviewing him, "One should not go from the authorities to the faithful but vice versa by applying to public life the principles ensuing from the truths of faith and ethics." This seems to unite the various factions of Christian Catholic laymen, meaning, as the phrase goes, both those who do and those who do not maintain liaison with the Polish Episcopate.

[Malanowski] This confirms the importance of the question I had mentioned.

[PRZEGLAD TYGODNIOWY] And so we now have reached new political initiatives with a varying degree of organization, as I mentioned before. There exist several dozen of them, including youth and student associations. Many have nebulous programs that often abound in euphemisms or reduce to the slogans contained in the name of these organizations. Many are certainly ephemeral. Still, a general classification of these initiatives could be attempted. But what criterion should be adopted? The simplest criterion I can think of is the division into the left, the right, and the center.

[Malanowski] It is hardly the simplest. These three concepts are not applicable to conditions in Poland.

[PRZEGLAD TYGODNIOWY] We also probably would have to reject such transient criteria as, say, attitude toward the roundtable.

[Malanowski] Of course, this does not order political thought, and besides that would merely duplicate that bad principle we had mentioned earlier, namely, the evaluation of a person's political views through the prism of his attitude toward the authorities.

[PRZEGLAD TYGODNIOWY] Another criterion: Some of the movements term themselves independence movements.

[Malanowski] Sure, but would that mean that the other movements do not want [national] independence [from the USSR]? Such a division would make little sense. Besides, this criterion would imply that persons belonging to the other movements ignore the problem of national independence. In the 20th century the concept of national sovereignty has changed in meaning, and I view national independence as a graduated concept, and this implies diverse consequences. We should discard this criterion as the sole determinant.

[PRZEGLAD TYGODNIOWY] Then perhaps these political initiatives should be classified according to the social groups from which they derive?

[Malanowski] The term "social base" has indeed become a real buzzword. It is used by both the PZPR and Solidarity. And things would be just hunky-dory had not it been for the delusive nature of such a primitive linkage of social origin to political orientation which implies, e.g., that a worker must belong to the PZPR, a peasant to the ZSL, and so on.

[PRZEGLAD TYGODNIOWY] People do not want to belong where in theory they should belong. Is not that so?

[Malanowski] Precisely! That was so before the war, and that is so after the war. Consider the most spectacular example, namely, the social origin of Marx, Engels, and Lenin. At present, PZPR statistics show that workers are not in the majority among its members. Throughout the world it is easy to find proofs pointing to the absence of a simple dependence between a person's social origin and his political affiliation.

But there also exists something that warrants paying heed to the relationship between social structure and political orientation. It is termed the interests of large social groups. In a normally functioning country in which freedom of political action exists this mechanism is articulated because the interests are verbalized, wishes become program planks, attempts are made to implement programs, etc.

[PRZEGLAD TYGODNIOWY] I understand that this criterion is not accessible to us in Poland, is it?

[Malanowski] As a society we have had bad luck as we have yet to verify the programs that suit us best. The elections to the [newly established] Senate will not be the answer. The public is poorly informed about various programs, and besides more often than not such programs are absent. In the next elections emotions, sentiments, and intuitions will of a certainty come to the fore rather than a cool analysis of discrete program proposals. Such analysis takes time.

Thus as you can see, there is no single general criterion. The issue you are raising would require an extensive political treatise. After all, another factor involved is the question of the legal possibility of self-organization into associations and parties.

[PRZEGLAD TYGODNIOWY] But let me suggest to you yet another criterion: classification into socialism-oriented (social-democratic), centrist-liberal, and conservative-nationalist movements.

[Malanowski] That is a defective and excessively broad classification. But all right, let me propose my own criterion. Proceeding from the social and political realities I would say that there exist three forces which define

political relations and round which the other movements are organized. They are: the PZPR with its allies and various institutional appendages; the Catholic Church together with the Catholic laymen; and Solidarity, within which many movements of distinct political hues have found temporary shelter. Each of these three forces represents a broad spectrum of initiatives which, however, display one common trait, namely, their linkage to the tree trunk from which they branch out.

[PRZEGLAD TYGODNIOWY] It is a fact that evaluating certain political orientations depends on the "point of seating." Recently, at a meeting of Catholic intellectuals, I heard someone say that Walesa has "social-democratized" himself and abandoned the Christian Democrats.

[Malanowski] Oh well, one should be careful with labels. Certain arrears of history and the fact that the regime so readily applies a label to everything, warrant a more cautious approach to evaluations and suggest that the classification criteria should not be turned into a fetish. We are living in the transitional period of multipluralism, which seems a paradox considering that inwardly we feel that there still is not enough pluralism. But formulating personal programs, as it were, is one thing and the possibilities for their public presentation are another, while the possibilities for implementing them are still another thing. Let us wait for that institutional pluralism, and then the present multipluralism will become consolidated within several basic political orientations.

[PRZEGLAD TYGODNIOWY] If only in view of your political past, you are bound to be interested by the socialist orientation. Can we say that, in contrast with liberal orientations, socialist orientations do not support the reprivatization of the economy but rather stress—so far as forms of property are concerned—self-government or cooperative, or to sum up, collectivist projects?

[Malanowski] In the present-day world the attitude toward property can be only an ancillary criterion, because of the present confusion of values. Is there more socialism in Sweden than, say, in Romania? This is a trace of the great 19th-century debate. At present the classification criteria are blurred because the several dozens of years during which the superiority of nationalized property used to be proclaimed have not produced tangible results. We are stuck within a kind of vicious circle of concepts. For example, Denmark is a country with stronger cooperatives than Poland, yet it is a monarchy. This requires new theoretical rethinking. For the road to socialism may be that of distribution [of material boons]—and here we have instances of successful experiments as in my favorite country, Sweden. Or the road may be the converse, with everything being seemingly socialist but producing no effects.

To me, social-democratic thought is distinguished rather by its attitude toward the individual, toward civic freedoms, and toward social injustice suffered by blue-collar workers, although I am aware that this is within the scope of interests of other political orientations too.

[PRZEGLAD TYGODNIOWY] At the other pole there are the conservative movements. I have problems in defining them, if that term is not to be used in its adjectival connotation.

[Malanowski] Of course, we all are in a small way conservatives if we understand traditions and the past. We can thus merely state that there exist individuals, rather than organizations, who define themselves by the appellation of conservatives and who are opposed to the kind of "progress" that consists in an unremitting pursuit of change for change's sake. Incidentally, it used to happen that the slogan of progress was used as a pretext for committing the greatest crimes while the so-called conservative countries had effectively—to mankind's good fortune—combated such bearers of progress.

[PRZEGLAD TYGODNIOWY] The amalgam "the conservative-nationalist orientation" is quite often employed. Is it warranted?

[Malanowski] I can only say that one should be careful with labels. Where does the borderline between patriotism and nationalism run—not in theory but in real life? Consider for example the Lithuanian "Sajudis" [the new independence movement]. To the Poles who live in Poland this is a movement for perestroika, a movement of patriotic Lithuanians. But to the Poles who live in Lithuania this is a nationalist [and therefore anti-Polish] movement and therefore, according to the usual labels, a reactionary one. But can we really say that it is reactionary? Let us bear this example in mind when we try to describe the Polish political scene.

[PRZEGLAD TYGODNIOWY] You have convinced me of one thing: this scene can be for the time being only qualified, and since the roles have not yet been ultimately assigned, the characters in the drama cannot be precisely defined. We have to wait until this whole picture clears.

[Malanowski] I recommend detachment and calm.

**Economist Urges PZPR To Leave Enterprises**  
26000469 Warsaw PRZEGLAD ORGANIZACJI  
in Polish No 2, Feb 89 pp 9-11

[Article by Prof Andrzej M. Zawislak, University of Warsaw, Secretary, Main Scientific Council of the TNOiK (Scientific Society of Organization and Administration): "Organizational Dilemmas of Social Order"]

[Excerpts] [Passage omitted] A sign of our times is the distinctive explosion of social expectations whose satisfaction is linked to the maximization, the concurrent



maximization of, let us emphasize, what we are accustomed to signify by the terms freedom and productivity. Freedom is to provide people with the psychological comfort of primacy of the individual, while productivity is to assure materially high living standards. However, these otherwise worthy expectations are bound to collide with certain irresistible barriers ensuing from the existence of what I would term "the law of the objective impossibility of the simultaneous maximization of unequivocally positive effects." For example, the simultaneous maximization of "justice" and "freedom," "physical efficiency" and "intellectual efficiency," "quality of production" and "profitability of production," etc., is impossible. Let us thus again stress that political freedom and economic productivity are (in general) mutually conditioned. But this does not mean at all that these two concepts can be simultaneously maximized, however positive socially they may be. Present-day theoreticians in the social sciences analyze this problem in the context of the qualitative differences distinguishing "political democracy" from "economic democracy." In this country that problem has arisen in connection with the disputes waged about political pluralism.

The matter is very complicated. For above all one must realize the basic nature of the democratic process of the exercise of power. Well, this does not at all mean that the people is the wellspring of power. For people's rule is merely only an attribute of democracy. The basic issue is that a democratic system of rule includes organizational safeguards against infringements of freedom of the individual. To put it tersely, it may be stated that a democratic government is one in which the rulers are ruled by the ruled in the presence of a maximum protection of civil rights. To assure the actual implementation of this rule, certain "systemic" conditions are required. The basic such conditions include: the organizational possibility of articulating diverse opinions of citizens (the existence of many parties) and the fluidity of power relations depending on the social assessment of the manner in which power is exercised. Suffice it for just one of these conditions to be violated in order for social pathologies to immediately arise. To provide a concrete example for the reader, consider that the ruling party in the fictional country of Poronia has a constitutionally guaranteed eternal leading role. Well, that party, like any other ruling party, has its leadership stratum. It is natural for the most ambitious rank-and-file members of the party to aspire to belong to that stratum. However, admission to that stratum is very limited. In practice, the thus stabilized stratum can be entered only through a strait gate that is opened now and then by... the mortality factor. But situations do happen in which a general change of the guard may occur. Then the ambitious individuals from the "nether stratum" may become the new ruling stratum. When? Well, only when the old guard gets in trouble and the people of Poronia loses its patience. What then should be the actions taken by ambitious aspirants to power in a constitutionally guaranteed single-party system? Of course, actions that

would prompt a social crisis and cause such popular turmoil as to force the old guard to depart. Then, "their day" would come, because after all the new guard must be recruited from within the old party. From the logic of this mechanism of the "wandering of elites" also ensues the answer to any question about the quality of government in Poronia. That answer is obvious: the group in power finds it difficult to rule well when its chief rivals for power exist not outside but within the ranks of its own party. And hence, the monopoly of a single party on government leads to the disintegration of that ruling party and the alienation of the old ruling group.

But let us put aside the questions of political democracy, especially because, ever since Plato, so much has been said about the organizational conditions of the exercise of power. On the other hand, the question of economic democracy is rather more novel and the literature on it is considerably smaller in extent. What is more, positive findings on this issue are quite few in number. [passage omitted]

But let us put aside the capitalist reality and attempt to consider this issue in relation to the Polish conditions. And it is precisely in Polish conditions that the issue of economic democracy is much more acute. Why should I withdraw from participatory governance of the factory in favor of the factory manager, when I am just as much a coproprietor of the factory as he is? Besides, I as a worker am a representative of the leading class by contrast with the blurred class nature of the working intelligentsia. Ultimately, I may respect the plant manager's decision-making powers so far as questions related to his professional competences are concerned, but so far as general matters are concerned, and chiefly questions of dividing what "we earned in our common enterprise," my voice should count as much as the manager's voice! Yes, the socialist revolution as regards proprietorship has produced consequences that are far from exciting: the plant's performance no longer disturbs the sleep of the proprietor of means of production, and instead it has become the motivation for all sorts of demands made by its pseudo-coproprietor employees! Thus the fundamental issue is to explore organizational solutions that would cause the employee of a socialist enterprise to exercise his function as a proprietor in a manner such that the social consequences of this phenomenon would not engender doubts. [passage omitted]

Practical experience shows that democratic participation in management proves its worth in the long run only if the participants own shares in the enterprise. Hence, economic democracy can only be the democracy of authentic proprietors, i.e., of individuals who are actually responsible for the consequences of the decisions taken. [passage omitted]

Political pluralism has become a buzzword. Appropriate decrees are being drafted. The social base of governance is to be definitely expanded. The most varied political orientations will gain legal status and the right to act.

Will this spread to the enterprises too? Or rather, one should ask, ought it? The only possible answer is: absolutely not! Political views in themselves already are causing divisions that are so sharp that they should not be institutionalized within enterprises by permitting the formation of diverse political structures there. If, however, this conclusion is to be adopted as a guideline, this automatically raises the question of the presence of the PZPR at the enterprises. Well, the PZPR must leave the enterprises. For if it remains within the enterprises while other political parties and groupings are not permitted to operate within them, this would have catastrophic consequences on the society's appraisal of the credibility of the government, and all assurances given by the government concerning the need for pluralism would be interpreted as insincere. On the other hand, affirming that credibility by introducing all the legally operating political parties within the enterprise would be a mistake for, among other reasons, the reason mentioned above. Hence, there can be only one conclusion: in the organizational structure of the enterprise there is no room for any sub- or superstructure of party dependencies. Besides, that is so throughout the civilized world. In the army, the church, and the enterprise, there is no room for partisan disputes. When an organization serves paramount goals such as serving the Fatherland, serving God, or... serving the customer, that is making a profit, it cannot tolerate anything that is bound to cause dissension within its ranks. [passage omitted]

#### **Solidarity Negotiator on Youth Problem, Internal Divisions, Tasks**

26000439 Warsaw *REPORTER* in Polish  
No 3, Mar 89 pp 19-20

[Interview with Tadeusz Mazowiecki, Solidarity roundtable negotiator, editor in chief of Catholic monthly *WIEZ*, by Piotr Gabryel and Karol Jackowski: "We Are Not Naive Idealists"; date and place not given]

[Excerpts] [Passage omitted]

JACKOWSKI: Does the declaration of the Tenth Central Committee Plenum concerning trade union and political pluralism remove the danger of a repetition of this situation [resistance by hardliners, danger of Soviet intervention] following the legalization of Solidarity?

MAZOWIECKI: I value highly the political will of the party leadership as expressed in that declaration, and I think that this means crossing a certain political and psychological threshold. The determined tone of that declaration is hopeful. This still leaves the question of whether it shall overcome possible resistance. That is why I consider it as immeasurably important to work out at the roundtable negotiating mechanisms that would avert in the future the transformation of the conflicts that will undoubtedly arise into some total conflict. [passage omitted]

JACKOWSKI: Could you perhaps briefly characterize the present-day social base of Solidarity? Who is available to you, and on whom can you count?

MAZOWIECKI: More than 7 difficult, gloomy, and hopeless years have passed since 13 December 1981 [martial law]. This was bound to affect social awareness. We expect that a substantial segment of the society will refrain from joining any trade union, whether Solidarity or the OPZZ [regime-sponsored National Trade Union Alliance].

Speaking of the social base of Solidarity, we should certainly begin with the activists—not necessarily those in the national leadership group but the grassroots people who had remained active in one way or another throughout all these years: by distributing underground press, collecting dues, organizing meetings at private homes, or taking part in pastoral activities on behalf of the working people. This social base also consists of people who, after 2 or 3 years of martial law, decided that demonstrations and various forms of illegal activity are ineffective. They retained their fidelity to Solidarity as an idea, but they perceived no possibilities of action for themselves. They are present in every occupational and professional group, and they are very numerous.

GABRYEL: But what about youth? Walesa told Miodowicz [the OPZZ head] during their televised debate that Solidarity's membership will now be different, and he meant the inevitable great generational change.

MAZOWIECKI: Yes, youth is our great hope, but it also is a great unknown. This applies to people who were growing up not during Solidarity times but during the sharp clashes of the martial law era and in the presence of a feeling of hopelessness following the lifting of martial law. That hopelessness is very heavily weighing on this generation, and it accounts for the radicalism which sharply and explicitly says "no" but is vague about "yes" proposals. This rising generation has demonstrated its existence during last year's May and August strikes. It was then, too, that the sharp division between young workers and plant supervisory personnel manifested itself. At present we have a base of support among workers and practically no such base among supervisors, whereas during the 1980 shipyard strike many supervisors had joined the strikers. I think that this is due to the downward spread of the *nomenklatura*. I do not mean to be taken literally to mean that every factory foreman is a member of the *nomenklatura*; I mean rather that becoming a foreman means becoming part of an extensive system of alignments and interrelationships.

JACKOWSKI: Much indicates that this rebellious youth, inimical to any authority and radical in its demands, will soon become the principal social base of Solidarity. Does not this involve the peril that the

leadership of Solidarity will have problems in restraining these mutinous-minded groups by democratic methods so as to prevent them from again irritating the authorities?

MAZOWIECKI: This danger exists, but most of that new wave shows, in my opinion, understanding of the policy represented by Lech Walesa. I was present during those last two strikes in Gdansk and witnessed Walesa's great ability to establish rapport with those young people. It is very important that young workers feel understood, because at present they are terribly abandoned and lonely. To them Solidarity is not some abstract idea but an organization which will protect them. A great deal may change once they begin to feel that Solidarity belongs to them. Then their radicalism may look completely different.

GABRYEL: In what direction will that change proceed? After all, it is these young people who shall win elections and increasingly radicalize Solidarity.

MAZOWIECKI: By winning elections they will accept the responsibility for Solidarity. The feeling of responsibility and confronting difficult tasks can change a person quite rapidly. Besides, I see no reason why the rising generation should not be viewed as a natural ally that includes reasonable and self-controlled individuals. Once they perceive that prospects for genuine action are open to them and that things are getting better, they will hardly want to burn and destroy their accomplishments. For all the radicalism of the young, neither in May nor in August was there any physical combat between them and the plant supervisors. They are not the kind of people who would like to beat others with bottles or iron bars. They may be more belligerent and speak more bluntly, but they know how to be responsible and proved it.

JACKOWSKI: Recently it has often been said that Solidarity is not a monolith, that it is rent by various internal divisions. What is their genesis? Are these divisions rooted in differences about personal ambitions, program planks, or ideals, or are they perhaps due to the coming legalization of Solidarity?

MAZOWIECKI: All the factors you mentioned come into play; I believe this to be quite natural within such a large social movement. The deepening of the internal divisions or conflict situations in the last 12 months has also a sociological rationale. As known, when expansion outward is not possible, inward conflicts become magnified. The causes of these divisions are most diverse. A major cause is when an underground activist is arrested and replaced by another and subsequently released from prison but before being reappointed to his post must undergo elections with some people voting for him and others for his successor.

GABRYEL: What dangers are harbored in these divisions?

MAZOWIECKI: The main danger is that some activists and groups may consider unacceptable the solutions which we will work out at the roundtable. We would very much like these solutions to satisfy everyone, be far-sighted, and serve to rally everyone round Solidarity's objectives, round Walesa, but one must reckon with the possibility that this may not happen completely. After all, somebody can always object that we could have achieved more at the roundtable by being more resolute and adamant. This danger will be the greater the more it might be incited from outside. Even now we are told that the OPZZ accuses us of wanting to reach an agreement with the authorities at the expense of the living standards of working people. The OPZZ is attempting to compete in making demands on behalf of workers, even though previously it had declared that it is averse to such competition and that it would be pernicious to the country. Besides, I am not sure whether OPZZ activists are aware that such competition could indeed stir the public mood but not necessarily in the direction favorable to them.

On the occasion let me point out one thing. Recently the mass media have been applying the term "Walesa's group" to one of Solidarity's component elements. It seems that in our interview today this term also has been used. Walesa's group is not one of many factions but the heart and core of Solidarity. It simply is Solidarity.

JACKOWSKI: What model of trade unions in Poland do you favor?

MAZOWIECKI: It is not we [but the OPZZ] who put forward the thesis that only one trade union can operate at any one plant or factory. We do not agree with this. We agreed to accept the currently binding decree on trade unions as the starting point for negotiations. Of course, we want to change that decree. It is possible to identify issues on which the competing trade unions [Solidarity and OPZZ] could cooperate vis a vis the management, through the mediation of the Inter-Trade Union Commission. Such a commission would be a partner of the management in collective wage bargaining matters, but as for protecting its members and other problems, those would be the matters to be resolved by each of the two trade unions separately.

But as regards trade union activities at levels above the discrete plant or factory, the view of the authorities is that the regional structure of Solidarity politicizes it. We on our part believe that the subsector-oriented structure [of the OPZZ] breeds social conflicts and is not adequate to the needs of a radical economic reform. But what matters most is to defend the freedom of self-determination of our own structure.

We also would like to reduce the legalization of Solidarity to a single legal registration instead of the registration of 30,000 plant and factory Solidarity commissions. Adopting the latter solution would be bound to breed conflicts which nowadays are needed neither by us nor by the government.

GABRYEL: As a strong trade union, such as SOLIDARITY will undoubtedly become, how will it respond to the radical economic reform which, as known, presupposes eliminating unprofitable plants and factories and even accepting the existence of unemployment?

MAZOWIECKI: Of a certainty we shall not give up protecting the interests of our members. We shall also struggle for protecting the weakest social groups. On the other hand, we shall not confine ourselves to these short-term matters but consider worker issues from the broader national point of view. We accept the necessity of shutting down unprofitable plants, but this must be done only as a last resort, after all the other possibilities, e.g., changing the nature of production at the plant, are exhausted. But once this last resort becomes inevitable, our task will be to negotiate the most favorable financial terms for the workers being discharged and to provide assistance in vocational retraining.

JACKOWSKI: I already asked this question, but our interview took another tack and it was not answered. So let me ask you again: which of Solidarity's accomplishments during 1980-81 will prove suitable to its future official activity?

GABRYEL: What objective will be regarded by Solidarity as most urgent once it is legalized?

MAZOWIECKI: To be honest, I am so absorbed in the struggle for legalization that it is hard for me to say what we shall tackle next and what later. But this is indeed important and I thank you for making me aware of it. And as for the lasting accomplishments of Solidarity from that period, that is an important question. Evaluating that period is usually colored by the bias of remembered conflicts, war of nerves, and unremitting pressures, so that the positive aspects are forgotten. To me the principal positive aspect is the system of values which illuminated Solidarity's path from the very beginning, and which shall remain completely topical. It can be applied without any change to the new stage of our activities, and it is what makes Solidarity unique. Likewise, we tend to forget that during the years 1980-81 so many individual initiatives arose and there was a general intellectual awakening, a renaissance of creative thinking on the national scale. I would be happy if such a universal social revival were to spread following Solidarity's legalization.

[REPORTER] Thank you for the interview.

**Underground Press Reaction to Roundtable Noted**  
26000472 Warsaw TRYBUNA LUDU in Polish  
15 Mar 89 p 8

[Article by Wlodzimierz Remisiewicz: "The Extremists Comment on the Roundtable"]

[Text] The debates waged by the numerous auxiliary task forces connected with the roundtable attract the attention of the "second-circulation" [underground] illegal

press. However, the comments of that press on the course of the sessions of the various task forces should not be considered unanimous; the attitude toward the roundtable and toward the anticipated agreement reflects in a sense the dividing line between the groupings of the post-Solidarity era and the organizations of the independence-oriented faction.

Prior to the commencement of the roundtable talks the opinions and views published illegally by both camps were basically convergent, being characterized by suspicion and mistrust of the government's "opening." Fairly often that "opening" was viewed as a tactical maneuver or even a trap, and the related views emphasized the role and importance of the formally delegatized Solidarity.

The period of the roundtable talks is viewed as an interim period; hence the phrases of the "Solidarity of the interim period" kind. At the same time, cautious forecasts of the future are being made. In this context, certain more realistically thinking Solidarity activists raise the question of the growth of radicalization, while at the same time pointing to its three possible forms: radicalism of attitudes within Solidarity; radicalism of views (characteristic of the "pro-independence" current); and radicalism of conduct (particularly evident during recent demonstrations by the Independent Association of University Students. As regards radicalism of attitudes, foremost are the mistrust of the proposals of the authorities, the brittle and poor confidence in Lech Walesa and his experts and negotiators, and the statutory-legalistic disputes on the formula for the leadership of the legalized Solidarity. They are apprehensions of an unclear compromise. "Soon they [these apprehensions] may take a more explicit form, that of animosity toward the evolutionist philosophy espoused by Solidarity's leadership or of a growing and emotional animosity toward communists (in the government and at the workplace) which may complicate translating into reality the eventual compromise achieved by Walesa" (M. Boni, "Solidarity and Radicalism," WOLA, No 5, 1989). Thus there is nothing surprising in that the need for intra-Solidarity democracy is being mentioned even now, as are the problems associated with the model of the relations between the authorities and Solidarity.

In raising the issue of radicalism of conduct the above-mentioned author stresses that the roundtable period promotes its growth, and that street demonstrations may be viewed by certain people as an effective form of pressure. This assessment soon was proved right by practice, as shown by the recent demonstrations of the NZS [Independent Association of University Students (Solidarity)]. During these demonstrations the KPN [Confederation for an Independent Poland] also showed its presence; apparently, it has decided to 'take care' of that student organization.

Hopes and mistrust—these two feelings accompanying the roundtable negotiations—do not point to a rosy future, Antoni Macierewicz observed. The opening by

the authorities was compared to a spectacular turnabout, and this comparison is also being made about the oppositionist leaders who head Solidarity. Nevertheless, "This agreement had long been expected and it is good that it finally became finalized. To be sure, it will bestow on Poland neither democracy nor independence, but it may create better conditions for the country's economic recovery and for organizing the social and economic structures in the direction of their greater autonomy. (A. Macierewicz, "A Political Challenge," WIADOMOSCI, No 318, 1989).

The apprehensions about the value of negotiating with the government are most strongly articulated by the "pro-independence" groupings. They are particularly explicit within the Confederation for an Independent Poland, the Fighting Solidarity, and the "Independence" Liberal-Democratic Party [LDP "N"]. A dilemma that has to be resolved may be formulated as follows: on the one hand, this is a question of continuing the struggle against the communists and on the other, that of taking a definite position on Solidarity despite or perhaps because of the support of these groupings for the relegalization of Solidarity. This issue is becoming particularly distinct, because "Even an authentic trade union pluralism is not the most important thing. It will not substitute for freedom. Solidarity itself had resigned after 13 December 1981 [the date of the imposition of martial law] its role as the Polish political representation, as a representative of the society in the struggle for freedom" ("There is no Reconciliation," the declaration of the Political Council of the LDP "N" and the Executive Committee of the Fighting Solidarity in GLOS POZNANSKICH LIBERALOW, No 7, 1989). At the same time it is claimed that any agreement with communists means de facto consent to the reign of communism in Poland. Hence precisely ensues the abovementioned dilemma, which is of basic importance because, in particular, "Among the oppositionist youth belonging to the KPN, the PPS [Polish Socialist Party], and other groupings, 'betrayal' and the abandonment of youth by Solidarity was even mentioned" (Mruczek, "The Smoke-screen-Makers," WOLA, No 5, 1989).

Claiming that "the specter of the roundtable" is haunting Poland, K. Druskiennicki, a columnist for one of the periodicals of the LDP "N," wrote that a basic goal of communists is to bring about strife within the opposition, including within Solidarity. He views the preparations for the roundtable by the delegalized Solidarity as consent to the renunciation by that social movement of any aspiration to liberate the society from the "tyranny of the communist system." And consider the language he employs to describe the party and the state authorities. "Let us bear in mind," Druskiennicki comments, "the determination with which that handful of declared terrorists had, upon gaining mastery of key positions in the life of the state and the society, paralyzed the activity of a trade union with a membership of 10 million [Solidarity] which after all had been the emanation of the thought, will, and feelings of the entire aware nation! It

seems unrealistic to believe that the gang with which we had been dealing at the time has now turned—under the influence of Santa Claus perhaps?—into a gentlemen's club accepting the fundamental canons of European political thinking" (K. Druskiennicki, "The Foundations of Hope," ORIENTACJA NA PRAWO, No 37, 1989). The aforementioned declaration of the "Independence" Liberal-Democratic Party and the Fighting Solidarity even appeals to young Poles not to give in to the blackmail of "not making waves about the roundtable talks," or "not interfering with the agreement being forged." Supporting the actions so far of the small radicalized grouping of the rising generation, both organization demand "greater resoluteness and sacrifices."

The leaders of the Fighting Solidarity support the demand to legalize Solidarity and its statute of 1981, and they declare their support of strikes and demonstrations on behalf of Solidarity. At the same time, they warn against entering into agreements with communists, although simultaneously they declare, "Once the Jaruzelski Administration departs, this being a political and moral necessity, we are ready to participate in negotiations on the ways and conditions for the transfer of power to the society and for bringing about free elections" ("Fighting Solidarity and the Current Political Problems," SOLIDARNOSC WALCZACA, No 3, 1989).

Objections against the growing consensus also are expressed by the Confederation of the Fighting Poland or the Congress of the Antisystem Opposition (KOA), as well as by the groupings belonging to the Preparatory Commission, whose principal purpose is to unite the "pro-independence" current. Concerning the KOA, an informative report on its course has been published in POLITYKA, No 9, 1989. A KOA flyer states, among other things, "The opposition activists rallied round the KOA perceive the necessity of political and organizational support for the growing public protests, and especially for the strike actions.... In the present situation there are no political or economic considerations that would justify persuading workers to abandon the struggle for their interests... The roundtable talks will meet with our support only if they are not used to restrain workers' protests. The model of an antiworker economic reform accepted by the roundtable negotiators is unacceptable and merely serves to make credible and prolong totalitarian rule in the PRL [Polish People's Republic]." In its turn, a declaration of the Preparatory Commission states, "Citizens have the incontestable right to peacefully demonstrate in their own country" ("Declaration," GAZETA POLSKA, no 1, 1989). The signatories to that declaration are worth noting. They are: the "WSN-Liberation" Federation, the "Autonomy" Political Grouping, the "Self-Determination Political Grouping," the KPN, the "Independence" Organization of Liberal Democrats, the PPS, and "Baza," the Democratic Union.

The "pro-independence" groupings make no bones about defining their views on the future Poland and its



government. They also demand similar openness from others, because, "A great deal of turmoil originates from lack of plain speech, lack of honest acceptance of either side of the coin. I thus ask whether Chairman Walesa, or the Colleagues Zbigniew Bujak, Wladyslaw Frasyniuk, Janusz Onyszkiewicz, or Messieurs Bronislaw Geremek, Tadeusz Mazowiecki, and Adam Michnik, want to overthrow the system or to reform it? Anyone who aspires to public service owes the society an answer to this question" (K. Morawiecki, "To Reform or To Overthrow," SOLIDARNOSC WALCZACA, No 4, 1989).

It can in general be assumed that the decisions taken by the roundtable negotiators will considerably influence the country's future. Also indubitable is the fact of a change in Poland's political landscape even in the event that the talks do not produce the generally expected results and the anticipated compromise. In that event, it is expected that "destructive forces (raging anticommunism) will prevail and the entire country will be flooded by a strike wave and, who knows, there may even arise a conflagration of party committees" (H., "Anticommunism and the Round Table Talks," GLOS POZNANSKICH LIBERALOW, No 7, 1989).

The drama surrounding the roundtable talks, intensified by street demonstrations, continues. This promotes a slowly growing radicalization of conduct, emotional reaction, and the growth of slogans for the recovery of the allegedly lost independence of Poland. In this respect, the legalization of Solidarity is viewed as a minimum, as half of the distance to be traveled toward the more important goal of "Poland's independence." In this connection, the "pro-independence" parties are trying to persuade the public that any action perturbing the course of the roundtable, at which yet again the authorities are trying to deceive L. Walesa, is pertinent and useful. Hence the emphasis that "the tragedy of the 'sharp-angled' table consists not only in that the communists are perpetrating yet another fraud but also in that Walesa and his advisers are flirting with the Reds on behalf of us all, on behalf of the entire society" (A. Rokicki, "The Independence Bus Stop," ALTERNATYWA, No 8, 1989).

The events accompanying the roundtable talks appear to confirm the lack of political realism among the "pro-independence" organizations and parties. L. Walesa stated explicitly that the alternative is stone-throwing. This is not a road toward creating a new Poland.

**POLITYKA Weekly News Roundup**  
26000442 Warsaw *POLITYKA* in Polish  
No 14, 8 Apr 89 p 2

[Excerpts]

#### National News

The 11th plenum of the PZPR Central Committee approved of the actions of the Politburo emanating from the resolutions of the 10th plenum, which outlined a

program of radical reforms in the direction of a civil society and a democratic, parliamentary state. The Central Committee accepted a report by Czeslaw Kiszczak on the course of the work of the roundtable and expressed the hope that it will be concluded with the reaching of a social contract. It discussed the strategy of the party in the upcoming elections. The plenum adopted a resolution on calling a National Conference of PZPR Delegates on 4-5 May 1989. It is to discuss the implementation of the resolutions of the 10th plenum, the participation of the party in the elections to the Sejm and Senate, and affairs associated with the 50th anniversary of the outbreak of the Second World War. The plenum named four working groups which will make the preparations for the National Conference: the reporting group chaired by Jozef Czyrek, the program group chaired by Marian Orzechowski, the resolution affairs group chaired by Stanislaw Ciosek, and the organizational group chaired by Zygmunt Czarzasty.

The plenum of the PZPR Central Committee confirmed the regulations on the work of the Central Committee and the membership of the commissions and the secretaries of the commissions (who are also the heads of the section-secretariats). The chairmen of the Central Committee commissions are (the names of the heads of the section-secretariats—it would have been hard to choose a more complicated title): of the ideological commission, Marian Orzechowski (Andrzej Czyz); of the culture commission, Marian Stepień (Tadeusz Sawic); of the international commission, Jozef Czyrek (Ernest Kucza); of the youth, association, and social organization commission, Leszek Miller (Slawomir Wiatr); of the science and education commission, Marian Orzechowski (Boguslaw Kedzia); of the representative bodies commission, Kazimierz Barcikowski (Edward Szymanski); of the party work commission, Zygmunt Czarzasty (Maciej Lubczynski); of the law and legality commission, Stanislaw Ciosek (Andrzej Gdula); of the socioeconomic policy commission, Wladyslaw Baka (Janusz Basiak); of the information policy commission, Stanislaw Ciosek (Slawomir Tabkowski); and of rural and agricultural policy commission, Zbigniew Michalek (Kazimierz Grzesiak). The other Central Committee Commissions are chaired by, and the heads of their secretariats are (in parenthesis): of the sociopolitical analysis and prediction commission, Janusz Reykowski (Jan Bluszkowski); of the commission for work in intellectual circles, Iwona Lubowska (Krzysztof Janik); of the worker commission, Zbigniew Sobotka (Michal Niedzwiedz); of the commission for complaints and reports for the public, Gabriela Rembisz (Marian Kot). The sections of the Central Committee and their heads are: of the chancellery of the Secretariat, Boguslaw Kolodziejczak; of the personnel policy section, Jerzy Swiderski; of the internal party economy section, Alojzy Zielinski. A PZPR Central Committee spokesman was named, Jan Bisztyga, previously deputy head of the Propaganda Section (which was transformed into the Information Policy Commission). In response to a question from a reporter for TRYBUNA LUDU whether "he will be the Urban for questions

concerning the party," the new spokesman said: "I would not like to copy anyone's style of work. The party is such that its cycle of political life moves without any fixed schedule. I cannot announce that I will, for example, meet with journalists once a week. I will call conferences when they are needed."

The congress of the Polish Scout Union ended. The congress elected new officers for the organization. Krzysztof Grzebyk (age 31, scoutmaster, previously commander of the Rzeszow council, a member of the PZPR, who worked as a teacher for four years after university graduation) was elected the head. [passage omitted]

**Price Increases.** As previously announced, the price of electric power increased from 6.4 zloty to 8.5 zloty per kilowatt hour and that of gas from 10 to 11.5 zloty per m<sup>3</sup>. Beginning 2 April 1989, the price of gasoline will increase to 250 zloty per liter for 94-octane. In Warsaw, ticket prices for local mass transit increased: we pay twice as much for a single fare (30 zloty; for a fast bus, 60 zloty; for a night bus, 150 zloty).

**Who's Who News.** Antoni Raczka (age 52) has been elected first secretary of the Nowy Sacz PZPR Voivodship Committee. He graduated in administration studies and recently was voivod of Nowy Sacz Voivodship. [passage omitted]

Lucjan Motyka, party activist, formerly of the General Consumers' Cooperative, formerly minister of culture, has been elected chairman of the founding committee of the Polish-Jewish Society. [passage omitted]

Major Mieczyslaw Slaby has been rehabilitated! After an article by Z. Andrzejewski [passage omitted] titled "The Case of Major Slaby," the Chief Military Prosecutor initiated work on the case. The final words of the communique given to PAP by the Chief Military Prosecutor: "There was and there is no evidence that Major M. Slaby committed the crimes of which he was accused. This change means Major Mieczyslaw Slaby has been fully rehabilitated."

The Social Foundation of Workers' Solidarity founded by Lech Walesa has been registered. The purpose of the Foundation, whose property consists of a founding capital of \$1 million, is to undertake action to protect the health of working people and their families. [passage omitted]

#### On the Left

[Passage omitted] G. Gerasimov, spokesman for the USSR Ministry of Foreign Affairs, asked whether the results indicate a lack of confidence in the communist party, responded that perhaps those who lost, were not the appropriate people for the positions they held, and

perhaps they had failed to promote their own program. About 20 percent of the party candidates lost their elections; about 80 percent won.

"A Farmers' Archive" is the title of letters of moving recollections from readers on the great hunger of 1932-33 published in SELSKAYA ZHIZN. Supplementary information from the paper: "The mass hunger of 1932-33, which affected the leading grain regions of the Ukraine, the Northern Caucasus region, Povolzha, Kazakhstan, and the Urals, took, according to estimates, 3-4 million human lives."

Moderation of the burden of basic military service in the CSSR: a soldier must have guaranteed 2.5 hours of free time daily, 7 hours on Saturdays, and 10 hours on Sundays; soldiers with family and social difficulties are to be permitted to perform service as close as possible to their place of permanent residence.

The agricultural program of the Lithuanian "Sajudis" was presented by V. Knashis, a member of the Sajudis agricultural commission, the Lithuanian movement that supports perestroika: land should be returned to the farmers by law. Today the farmer fears even to enter into a lease, for he is not sure of the future; and what if—he thinks—other winds blow, and they take away the lease and my efforts are wasted? The memory of collectivization is still alive in Lithuania, when thousands of farm families were exiled; no appeals will wipe out these memories. Legal guarantees, a law on land, are needed. The Sajudis program calls for the state to transfer the land to the permanent control of the farmers, with the right to inherit but without the right to sell the land. [passage omitted]

On the 15th anniversary of Nicolae Ceausescu accession to the presidency a fragment of an article in the weekly LUMEA: "Never in their 1,000-year history have the Romanian people had such a leader, whose personality made such a strong impression on the fate of the country as during the period when Nicolae Ceausescu has stood at the head of the party and state. . . . All the great successes achieved, especially during the last 25 years, carry the mark of the creative, inventive thinking and bold actions of Comrade Nicolae Ceausescu, the burning patriot and proven revolutionary."

O. Meshkov and A. Chernenko, two special correspondents of PRAVDA, described two opposing marches, two opposing demonstrations in their report from Riga. "Some in the march of Interfront carried slogans calling for the unity of all nationalities living in Latvia; others in the People's Front shouted slogans like 'migrants,' 'occupiers' to their faces." "It is no secret to anyone in the Baltic republics that mostly Latvians gathered under the banner of the People's Front and the non-Latvian populace under the banner of Interfront. Their numbers are about equal. The number of supporters, too. Regardless of what we may say today about Stalinism, voluntarism, the aggressive, degenerate economic policy of stagnation,

which led to the disproportionate influx of workers from other regions of the country, realities remain realities. We must deal with them and take into account all of the complex national interests."

The fate of the participants in the events of 1956 in Hungary according to the biweekly HITEL: most of the deaths occurred in Budapest, usually individuals 15-24 years of age. According to official statistics from 2,500 to 3,000 individuals died; 2,000 in the capital city. The number of wounded was around 13,000 to 20,000. There were about 1,800 Soviet soldiers killed and 1,500 wounded. Nearly 200,000 Hungarian citizens left the country then, including more than 100,000 residents of the capital city. Among the emigrants were 20,000 Hungarian Jews. The editors note that the article on the fate of the participants in the events of 1956 does not include the victims who died as a result of court decisions or the tens of thousands who were sentenced to long prison terms.

In 1988, the SED had 2.3 million members; all of the noncommunist parties in the GDR had a total of 480,000 members, and although these parties cannot officially conduct membership campaigns, many young people have become members. The noncommunist parties in the GDR publish 18 newspapers in a total printing of 800,000 copies. [passage omitted]

The bodies of Imre Nagy, premier in 1956, and of his comrades have been exhumed. They were buried in an anonymous grave in section 301 of the Central Cemetery in Budapest. The burial ceremony will be held on 16 June 1989 on the 31st anniversary of their execution.

#### Opinions

[Passage omitted]

*Piotr Aleksandrowicz, journalist:*

(GAZETA BANKOWA 27 February-2 April 1989)

"The 100 billion zloty earmarked in budgets and parabudgets for social organizations is not a surprising sum. However, taking into account the objective need to balance the state budget, especially the central budget, it seems, that it would be possible to design a program limiting the subsidies. The basic element should be a departure from the more or less automatic equalization subsidies and the exclusive use of subsidies targeted for specific activities, events, etc. Such a conception was initially considered by the Ministry of Finance in conjunction with the proposed new law on associations, but it did not, however, receive the approval of the other ministries.

"Too bad. It would have forced intensive searches for their own income sources, and also more thoughtful use of their resources, especially for administrative purposes. Today, however, it is much easier to hold out a hand for money from the taxpayers."

*Prof Adam Strzembosz, deputy chairman of the group for reform of the law and the court system for the opposition groups in the deliberations of the roundtable:*

(Interviewed by Juliusz Klosowski, THE WARSAW VOICE 2 April 1989)

[Strzembosz] I am obviously convinced that the majority of judges in Poland is internally independent, that they have the appropriate moral standards. However, in specific cases it is enough if one or two judges are controlled by the political authorities, even in a very large court, to obtain the decision they want. I will not give the name of my former colleague who came from another section with his "own" lay judges to judge a certain prominent case.

#### YUGOSLAVIA

**Slovenian Youth Activist on Foreign Affairs**  
*28000104 Zagreb POLET in Serbo-Croatian*  
24 Feb 89 pp 6-7

[Interview with Zoran Thaler, member of the Presidium of the Republic Conference of the Socialist Youth League of Slovenia (ZSMS) responsible for international cooperation, by Vladimir Spasic; date and place not given]

[Text]

POLET: The public at large began to debate the international activities of the ZSMS only after your appeal to the radicals that they hold their congress in Bohinj. So, what is the program of the ZSMS in international affairs?

Thaler: It was clear at the very outset of our term that we should operate differently in the domain of international relations. When I came to the ZSMS, those activities amounted to nothing more than fulfilling the annual plan for exchange of delegations with Georgia, Slovakia, and the border areas where Slovenes live. The essential deficiency had to do with criticism of the conduct of Yugoslav foreign policy. That was the terra mulius, the vacant area. We had to decide what we would do, and we did this with what is called the European Declaration of the ZSMS, in which we defined in four points what we are and what Europe means to us. That is, that we are citizens of Europe and that we have had enough of the economic crisis and intertribal conflicts and enough of Yugoslavia's isolation from its historical environment, and we are demanding Yugoslavia's entry into Europe. This has been adopted in the Republic Conference of the



ZSMS as what is called the European policy of the ZSMS, so that all subsequent activities will aim at opening up Yugoslavia and joining it to Europe.

### Public Image

POLET: By Europe you mean only western Europe?

Thaler: Europe stretches from Ireland to Volgograd, but for us today only southern, western, northern, and central Europe are relevant. We have realized that the Cold War has died down at least temporarily and that the relation between East and West has lost its meaning in Europe. When we say that we are heading toward Europe, this means that we are heading toward a Europe that can be of interest to us, and with respect to the level of the economic, political, and legal standard of living, that is mainly the EEC, together with the EFTA. Our goal has been through a fierce campaign to start a debate in Yugoslavia about that Europe. It is hard to say to what extent we are responsible, but since last spring this conception of Europe, the debate about it, and so on, has evolved incredibly, above all in the media, but recently even in the country's top political leadership.

POLET: What have been the specific actions?

Thaler: Emphasis first had to be shifted from the Far East, so to speak, to the territory of Europe. We have improved our political marketing, our public image, a bit. Certainly, the most important thing was the public response. For example, that thing with the radicals: I am often asked what lay behind that, what interests we have in common, and so on? There is nothing in that collaboration with the radicals that has not been evident in the media. It is just that the media made an event of it. At our initiative, of course. Our interests were clear: Through the radicals the very appeal to the radicals and their arrival in Bohinj stimulated a broad debate about Europe, and we also gained several friends for the ZSMS and its European policy, some of whom are extremely influential. The radicals are not strong like certain other basic parties: There are about 6,000 of them, but they are so loud, nimble, and capable that in a rapid drive they can obtain the signatures of 500 top-level European intellectuals, politicians, and other influential people on their paper. In that sense, their strength cannot be measured by their having only three deputies in the European Parliament and slightly more in the Italian Parliament, but rather altogether different criteria are relevant here.

### The Clever Radicals

POLET: Aside from the desire of the radicals to make a breakthrough into a socialist country, what were their other interests?

Thaler: If their federal council had met in Trieste, LA REPUBBLICA or CORRIERE DELLA SERA would have written about it on page 7; when they crossed the

border to Fernetici a bit spectacularly, this was reported on the front page. Our interests coincided on one other thing: Through them, we wanted to attempt to nominate some of our people to the European Parliament in the European elections. These elections will be held at the end of June. In Italy, a law is now in effect under which foreigners can also run on Italian slates, but only if they come from EEC countries. Since we are not in the EEC, our man was removed, but this issue can be treated as an event. It is in our interest to create in the EEC an awareness of the need for Yugoslavia's entry into their ranks—if united Europe wants to be really united. Nor is it clear as yet even to the radicals how this is to be done, but they are well-known for their political tricks and slogans: For example, in 1987 they promised that they would disband if they did not number 10,000 the next year. Even today there are not that many of them, but they have not disbanded. They said that they would not take part in the elections, and that they would take part only in European elections. Their last clever move was to nominate Panella for the European Parliament on the slate of the Italian CP. Recently, I happened to be in Trieste, and I talked there with some people from the CP who assured me that this is pure speculation. These matters concerning the European elections are not clear as yet, but I think that everything will be different in a month or two.

POLET: Why, in your opinion, was the congress of radicals not held in Zagreb?

Thaler: A distinction should be made here, since the SFRY Presidium and the Mikulic government rejected the possibility of the radicals' coming, but I cannot understand any administration at the municipal level in Zagreb that would refuse something like that, since from the economic and media standpoint an exceptional occasion was rejected. I am sorry the congress was not held in Zagreb, since that would have meant the arrival of 1,500-2,000 people who spend quite a bit and who would have provided advertising in all the European media. They certainly would have done more for Zagreb in that context than Zagreb otherwise pays for its promotion in Europe. This can best be seen with the example of Bohinj, since now half of literate Italy knows where it is and what it looks like. That is from the standpoint of the economic loss, but there is, of course, a large political loss here as well, a loss to all of Yugoslavia. And it was all because of a government which itself does not know why it refuses something.

### The Media Blockade

POLET: Are the radicals, in your opinion, a party which has any sort of future and which makes it possible to pursue some of our own interests?

Thaler: Those words really go too far. I have heard that some people are saying that we here in the ZSMS are provincials, since we expect to enter the EEC by way of the radicals. That is completely off base. I think that the

position of the radical in the future will be no better nor worse than it is now. They will probably not disband. We do not expect to enter Europe through them, but this is one link in that chain, and why shouldn't it be? The output at that congress was incomparably greater than the input. This is an essential value of that action which was carried out very quickly. One day of preparations, the trip to Trieste, the invitation that they come and break off their hunger strike, in 1.5 days they were in Bohinj, and 2 days later they left Ljubljana. So that the entire operation took less than 7 days, and the payoff was exceptionally good in both political and financial terms. We have been getting protest letters in which people ask who gave us the right to invite them and who is going to pay for all that? It has to be said that the radicals themselves paid for all that, just as they would have paid for the congress in Zagreb. Because there is no snow, the Youth Center in Bohinj is in a deep crisis this winter, and this kind of financial injection helped it to hang on.

**POLET:** So, you support an expansion of the radicals even into Yugoslavia?

**Thaler:** Yes. I like how very happy they are to have, say, 300 members in Yugoslavia. That seems too few to me, but when I see the hard work they did for that number of members and how happy they are about it, I like what I see. I think that this also breaks down certain taboos and broadens the space of tolerance. In Croatia, the whole issue of the radicals and their congress was rather well-known, but it is incredible the media blockade that prevailed concerning this in some places. The Churchill-Stalin dividing line was most obvious in the media. That is, the media of Ljubljana, Zagreb, Split, and Sarajevo devoted quite a bit of attention to this, while in Belgrade, Skopje, Titograd, Nis, and Novi Sad there was hardly any or very little news about the congress, just what was taken from Tanjug. I have also noticed this in people's reaction when they call on the telephone, or when I go to Belgrade: the people there are uninformed, which is, of course, logical since there was nowhere they could read about it, and a lack of information gives rise to prejudices and so on. They had only heard Aca Sekulic of the party, who heads the sector for international cooperation there and who spouted off some stupidities about the anticommunism of the radicals—how it was in their interest to destabilize Yugoslavia and I do not know what all. As a matter of fact, in doing that he utterly disinforming that section of the public.

#### **New Rules of the Game**

**POLET:** How much political fantasy is there today in the reflections about Yugoslavia joining the EEC, especially in view of the differences in political system?

**Thaler:** If at this point Dizdarevic or Markovic went to Brussels—unfortunately, Dizdarevic does not go to Brussels, but to Nicosia, Baghdad, or Cairo—if those leaders of ours went there and said that we want to enter the EEC, the gentlemen in Brussels would probably smile

and take it as a joke, since average inflation in the EEC is 5 percent, while ours is 300 percent, so that here there is really nothing to talk about. On 1 February we called for that application to be urgently made to Brussels from authoritative places. What does that mean, when we know how it will be treated in Brussels...? The most essential thing, if that is what we really want, is that this would be the best motivation for internal reforms. If we want to get out of the crisis, we have to adapt to the European standards of the political, economic, and legal system. I will say very briefly what we are in favor of, although in part this is already well-known: With respect to the political system, we want political pluralism. It should be institutionalized. It seems that the Hungarians are doing this now and are passing us on the right. Even now, we have de facto political pluralism, which is developing very rapidly, but the system is the same as it was 10 or 15 years ago, when there was much less pluralism. This should be codified and certain new rules of the political game introduced. We have to find the least common denominator which brings together such different countries as, say, Portugal and Denmark, in which relations are similar enough so that they can be in the same community. In the economic system, this means mixed ownership and that, of course, entails the market, since it cannot be introduced otherwise. In the legal system, priority should be given to protecting basic human rights. In this context, we have called upon the SFRY Assembly and the government to sign and ratify the European Convention on Human Rights, since this is a sore point for any further entry into Europe. This is not a terrible document at all, perhaps not as strong as our Constitution, but it is serious. The objective would be to enter the European Council after that and via the EFTA into the EEC.

**POLET:** The EFTA has an article whereby countries with 1-party systems cannot enter it....

**Thaler:** Yes, but those things are not hard and fast. All we have to do is institutionalize the situation that already exists, and then we would have an 8-or 9-party system....

#### **The Youth Parliament**

**POLET:** What are all the youth organizations the ZSMS collaborates with?

**Thaler:** The essential cooperation for us is with Slovenian organizations in neighboring countries, especially in Italy with the youth committee of the Slovenian Cultural and Economic Federation and the youth section of Slovenian Solidarity, which is a political party there. In Austria, all the organizations are in a crisis now, just as they are in Hungary, but they are a part of all our activities as though in a sense they are a part of the ZSMS. We have a great deal to gain from them, especially in Italy, since they do after all live in the EEC and have quite a few business people who are influential. In the socialist spectrum, we collaborate with both the Italian and Bavarian Socialists. We are also deepening

contacts with the Italian Liberals. At the end of February, two of our people will attend a seminar of their's in Rome.... We are trying to establish as many contacts as possible with various organizations, movements, and groups in the EEC, since they can all be helpful to us. It is our ambition to bring together an informal youth parliament in the "Alps-Adriatic" Community; it would not take up political issues, but above all issues of improving the standard of living of young people in that region, starting with opportunities to travel where they will study, and so on....

POLET: What specifically was talked about with the Italian and Bavarian Socialists?

Thaler: The Italian Socialists ended their visit just yesterday. We signed and gave to the media a joint statement in which we call upon the governments of Italy and Yugoslavia to make it possible to cross the border without travel documents. We agreed that this year we would do a promotion of the ZSMS in Italy, not in Trieste or in Gorizia, which after all are marginal cities for Italy, but in Florence or Rome, and likewise the Movement of Young Socialists would be organized in Ljubljana. Publication of an anthology of our leading theoreticians associated with the ZSMS, Masnak, Zisk, or Rotar, for example, in Italian is in the phase of preparation. We always give our printed things to those youth politicians who are in contact with the leading people of their parties, asking that they be passed on to those leaders. In that way, perhaps we will soon organize Craxi's interview for MLADINA. When we were in Munich visiting the youth Socialists, we had three meetings in the Bavarian Parliament where we talked to their parliamentarians, some of whom are and some of whom are not influential people at the European level.

#### Without a Protocol

POLET: Judging by the way you guide cooperation, I assume that you are not for dropping the first S from the initials ZSMS?

Thaler: Ha...regardless of whether I am for or against it, I think it will be dropped. At this point, that is not an international issue, but I also am concerned with other matters. General elections are being prepared for next year and everyone—Smole and the SZDL and the party—says that new rules of the game will be codified for those elections. How the ZSMS will look after the congress will also depend on that. We have to realize above all that we are no longer an age-specific organization at all, but have an identity which is recognizable and rather well-defined. This is now a political organization, as we put it, of the democratic public.... To be sure, everyone today is referring to some democratic public, but I am referring to the people recognizable in our initiatives: European policy, civilian society, the demand for a civilian defense minister, and then civilian service of the draft requirement, and so on. I think that the ZSMS will continue to be a serious political force even

after the congress, but it will change its name and to some extent its logo. It is hard to say what the ZSMS will be in the future: a coalition of certain organizations or a political party in the strict sense. But it is beyond dispute that that organization will nevertheless arise out of this present ZSMS.

POLET: One gets the impression that you are a Socialist in your political commitment....

Thaler: That is true, those are all generalities, but since that is the only way of defining a commitment, I would say that I consider myself a liberal Socialist.

POLET: Are you a member of the LCY?

Thaler: Yes, but I have been doing a lot of thinking about whether to continue. Many intellectuals with critical attitudes have left, and some still have not, so the question is why they haven't and what is happening with the party: Is it still relevant, should one try to push faster pluralization of the political system through it or should one simply drop out...?

POLET: Do you want to continue cooperation with Georgia and Slovakia?

Thaler: Yes, our delegation goes to Georgia on 22 February, but this time we will not sign any protocols on cooperation containing those awkward points on the number of changes in delegations and so on. In the case of Slovakia, we will terminate such unsatisfactory forms of cooperation as the exchange of brigade members, since last summer our people were extremely dissatisfied with their treatment there. They did jobs which were senseless. We will offer them an opportunity to participate individually in our projects and camps. However, it should be said of Georgia that this cooperation is extremely interesting, that we would not like to terminate it.... Also, I have a certain emotional tie to the East, since in Belgrade I was responsible for Asia. I worked most with the North Koreans. We have just received their posters for the world festival in Pyongyang. They are fantastic. Forget Neue Slovenische Kunst, they are nothing in comparison.

#### Nonalignment Is an Anachronism

POLET: What is your attitude toward nonalignment?

Thaler: The exclusive orientation toward the nonaligned has been disastrous for Yugoslavia. The nonaligned are breathing their last historical and logical gasp. Any kind of return to so-called original values...all of that is a great anachronism. Objectively put, it is a tragedy for the nonaligned that the Cold War has ended and almost the entire world has been decolonialized, so that the essential reasons for their existence have ceased. To call upon all other countries at this point to take part in the movement, as our foreign minister did in Nicosia, I think is pointless, since that would create a new United

Nations General Assembly. We already have one in New York, and I think that that is quite enough. Nor do I know how much sense it makes to hold a conference of nonaligned in Belgrade this year, since this is actually a step backward. In spite of all the promises that this will not have an effect on our endeavors in Europe and in relations with the advanced part of the world, that influence will still be felt, since most of our political, economic, and intellectual energies, whatever we have in those areas, will be committed to the concerns which the nonaligned have with themselves.

POLET: Still, don't you think that Yugoslavia owes a large part of its reputation in the world to the non-aligned? It is a fact that India has become a more relevant factor in world relations after it presided over the movement....

Thaler: During the time when India presided over the movement, it took part in another important initiative on the world scene: that was the initiative of the Six.

Why was Yugoslavia not there? I have heard from certain sources that we were in fact invited to take part, but we did not consent, since it was judged that this was a screen for an initiative of the nonaligned. But then that initiative aroused greater attention than all of the activity of the nonaligned. India's international prestige probably grew more because of that initiative than because of chairing the movement. Because of nonalignment, Yugoslavia lets too many initiatives and actions pass in which it ought to participate, since it is afraid that it would be criticized for wanting to stand apart or for wanting to accentuate its leading role. But why would it not perform the role of a leader when it is realized what it has meant in the history of the movement? I favor a Yugoslavia that would be the leader of association of all of Europe, which on the basis of its objective position it could in fact be: a catalyzer for bringing Europe together in the context of Gorbachev's house which we have in common, rather than for us to barely respond to impulses that come from outside and for us to have no scenario at all of our own for a future Europe. Among the nonaligned, there is also frequent talk about the new international order (NEP). I think that this is a fundamentally mistaken attempt to bring about the NEP administratively. I say that in Yugoslavia we already have the NEP in fact, and have it in a situation where the economically weak are administratively dictating to those who are economically strong. Even in that context, we already have the NEP in Yugoslavia, and we also see where it leads. In our country, especially in Belgrade, there is also quite a bit of talk about the EEC, about how there is no consensus there, and so on, but we should realize who is strong in the EEC in terms of the number of votes in the Parliament, on commissions, and so on. There are two parameters there: the size of the population and the per capita national product.

#### Redefining Foreign Policy

POLET: In your opinion, are a multiparty system and socialism possible simultaneously?

Thaler: There is no frame of reference for such things. When our Slovenian LC talks about pluralism without political parties, they again say that this is a matter for which there is no frame of reference, which means that something new to the world has to be invented, and I, and I think everyone else, has now had quite enough of that. I am a skeptic on the question of the multiparty system and socialism, since the very terms socialism and capitalism are today ceasing to mean what they did. Is Sweden more socialist than Bulgaria more than we are? I no longer make an issue of how it is to be called, just as I demand political pluralism, but at the same time I say that parties can neither be in command nor prohibited.

POLET: After our interview, you have a meeting in the Assembly with Loncar. How do you evaluate his work in the position of federal foreign secretary?

Thaler: At first, I said: Finally, a professional diplomat in that post, since one after the other since the war we have had people from outside that profession. I thought that was a good sign, that he would professionalize things and bring a qualitative improvement over Dizdarevic's term of office. Now, I think that he is an intelligent man with a European slant, but he is operating in the present context of forces, since after all he has survived all the regimes and all the orientations since the war in the Federal Secretariat for Foreign Affairs: from Koca Popovic to the renewed radical turn toward the Third World in the seventies. He should have used all those incidents, "Stockholm," "Sydney," "Chicago," and "Madrid" to "air out" that service of ours and the Federal Secretariat for Foreign Affairs, since his motives were exceedingly good. But now, I think that he is not a man interested in modernizing the service. Only quite recently have there been hints of certain changes. I also anticipated that he would act more aggressively with respect to the European orientation.

POLET: What do you think is the reason for that?

Thaler: People go into that service on the basis of certain unusual criteria: connections, many of them are former members of UDBA, policemen, and so on. Those things should first be demystified and open competitions established for the service. Things would change with new people, and we would finally get away from that logic of the military whereby promotion is based on years of service.

POLET: How in general do you evaluate our foreign policy?

Thaler: I think that it needs an essential redefinition, since with the nonaligned we have gone off into megalomania. That should be overcome with a realistic strategy and tactics, and that means our taking an appropriate place in Europe and thereby in the world as well. For example, Spain or Portugal, with their long colonial histories, do not put so much ideological emphasis in their programs on cooperation with the Third World, but

they do it fantastically well. They have economic ties, and then the cultural and other cooperation also functions. Yugoslavia has fantastic ideological programs for cooperation with the countries of the Third World, but it does not function at a concrete level.

#### Against Foreign Investments

POLET: To what extent can foreign investments influence our foreign policy?

Thaler: I am against foreign investments, since, in my view, economic ties without political association at the same time represent suicide. This is to deliberately push Yugoslavia into a neocolonial position. To think that we will be saved only by foreign investments is pure nonsense.

There also have to be political ties, so that then you have greater influence on what they do with you.

POLET: You said before that human rights are a sore point for entry into Europe....

Thaler: Yes, since opening up to Europe, as I see it, means first adapting to it with respect to human rights.

Even in Europe, those things have not been optimally worked out, but they are the most that we have in the modern world. Working on that means pushing Yugoslavia into Europe.

POLET: You think that we have to renounce nonalignment in order to enter Europe?

Thaler: No, I do not favor that, but these are all processes.

We are a generation which does not have any final answers to global processes...perhaps in 50 years our descendants will curse us, since who knows how all this will turn out in the end? I know that even Europe is not the ultimate answer to Yugoslavia's problems over the next 100 or 300 years. Perhaps we will be cursed by future generations, since perhaps from their perspective it will seem to have been smarter for us to remain Balkanites instead of becoming Europeans. I have heard that in Britain there is a Society for the Balkanization of Europe, which supposedly says that Europe will be happy only if it becomes like us in the Balkans.... Who knows?... Nevertheless, theoretically viewed, nonaligned Yugoslavia has the best predisposition to be the catalyst for unifying all of Europe, for pushing the destruction of European divisions, the destruction of Yalta.

#### Legality of Arrests Explained

28000106a Belgrade BORBA in Serbo-Croatian  
1-2 Apr 89 p 4

[Interview with Belgrade criminology professor Vlada Krivokapic by Nada Spasic: "Rules for Going Behind Bars"; date and place not given]

[Text] In the last few days, demonstrators in Kosovo have made destructive attacks upon public and personal property, and also threatened the physical safety of a large number of citizens, regardless of their ethnic identity. Several automobiles, railcars, and buses were destroyed or damaged, and considerable material damage was done in shops and other public and private buildings. Every day, the internal affairs authorities detained the most aggressive demonstrators. Before these disturbances, Azem Vlasi and several other politicians and businessmen from this province of ours were also arrested.

If one is aware that until recently we were a relatively peaceful country, it is understandable that the almost daily bulletins about arrests in Kosovo are an unpleasant novelty in Yugoslavia. For that reason, we turned to Dr Vlada Krivokapic, a criminology professor from Belgrade, to explain to us the concept of a detained person and how that is regulated by the SFRY Law on Criminal Proceedings [ZKP].

[Krivokapic] The detention of a person is understood to be measures that consist of the forcible bringing of some person, by an authorized official from the internal affairs authorities, to the premises of these authorities or to the premises of a court, or some other location. Detention, as a restriction of personal liberty, can be undertaken on the basis of a written order, or without a written order from a court. In both cases, the detention and deprivation of liberty are very precisely defined by the ZKP. In order for some person to be detained, he must first be deprived of his liberty.

In accordance with a so-called written order (which is issued by a court), a suspect can be arrested when there is a suspicion that the accused will persuade witnesses to testify on his behalf, or even use his position to destroy evidence, flee the country, etc. Forcibly bringing someone to the court, as lawyers say, "conceals behind itself the term arrest," and for this one needs an order from a misdemeanor judge or the internal affairs authorities. A witness is detained when he does not respond to a written summons from the court to offer information in a criminal proceeding (testimony).

[BORBA] How has the law provided for an arrest in the extraordinary circumstances prevailing in Kosovo these days?

[Krivokapic] Individuals found at the site of the commission of a criminal act can be arrested without any order, when it is necessary to hold the person for the



successful completion of certain criminal investigative measures and actions at the given location, or even if he violates orders that have been issued.

The conduct of the internal affairs authorities toward a suspect depends primarily upon whether the person offers resistance, tries to escape, threatens the lives of others, offers only passive resistance, etc. The use of means of coercion is also precisely specified by regulations.

[BORBA] How long can a detention last while an investigation is continuing, and how, and on what basis, is it determined? How is the time spent in jail extended, and who decides this? It has been publicly claimed that sometimes the investigative proceedings are poorly conducted, and so the detention lasts too long. Is that true?

[Krivokapic] The detention is specified as lasting up to 3 days, and the internal affairs authorities can determine it in addition to a judge. Next, it can be extended at the request of the investigating judge, but the person detained can submit an appeal to the board of the associated court within a period of 24 hours from the time the decision is received. The board of that court must reach a decision on the appeal within a period of 48 hours. If the person is not released within a period of 3 days, the internal affairs authorities are obliged to turn the person over to the investigating judge. Detention by the investigating judge (article 191 of the ZKP) will always be prescribed when there is a justifiable suspicion that the person has committed a criminal act for which the law prescribes the death penalty. A longer detention, however, can be decreed if the person displays activity aimed at concealment or escape, and if there is a danger that he will destroy the traces of the criminal act, if there are prospects that he will interfere with the investigation by influencing witnesses who were accomplices or concealed evidence, if special circumstances indicate that he will repeat the criminal act, complete one already begun, or commit a new one that he is threatening. This also applies to a criminal act for which a prison sentence of over 10 years or a more serious sentence can be imposed, when as a result of the way in which the crime was committed, the consequences, or other circumstances, there has been or will be a disturbance of the peace.

One of the fundamental reasons for delays in an investigation and in general in criminal proceedings being conducted against persons who have committed criminal acts is the inability to secure material evidence, or the lengthy time required to do so. A vital condition for the timely completion of an investigation is documentation, which in a criminal proceeding means material evidence.

[BORBA] Is the current criminal legislation effective enough, and does it protect the security of citizens in every part of the country?

[Krivokapic] Some major social issues cannot be overlooked here. Specifically, the current republic and provincial criminal and legal regulations, which are a result of the constitutional and legal solutions as of this date, are not immune from the longstanding differing parochial approach taken by the republics and provinces, which has weakened security both for them individually and for the country as a whole, particularly security in Kosovo.

When we look at security today from the standpoint of the 1974 Constitution and the legal regulations that apply to it directly or indirectly, we will see that even the legal regulations themselves are quite complicated, and that it is quite difficult to organize security according to those norms in a way that would allow it to be realized successfully. If we review the criminal-law regulations, which are very significant in this respect, we encounter a rather cumbersome normative system. Today we have 9 criminal codes instead of one, as before the 1974 constitutional changes.

Chapter XV of the SFRY Criminal Code specifies criminal acts that assault or injure the country's external and internal security. These include hostile propaganda, counterrevolutionary threats, sabotage, diversionary acts, the expression and incitement of ethnic and religious hatred and division, criminal association, and other acts.

Today we can say quite definitely that this law, which is the most significant one for the country's security in peacetime, has to a considerable extent not been operative, legally has not functioned, or has functioned very poorly. The Law on Criminal Proceedings has not functioned as it should have either, nor have certain federal regulations. All of this has contributed to the fact that today our security is very much jeopardized, especially in the Kosovo area, and is quite fragmented at the national level.

#### Criteria, 'Roundabout' Path to Ambassadorships Noted

28000106b Belgrade BORBA in Serbo-Croatian  
1-2 Apr 89 p 6

[Article by Mirko Klarin: "How One Becomes an Ambassador"]

[Text] Some things that have been happening in recent months with our diplomacy and our diplomats can only be explained by Clausewitz. Specifically, Yugoslav foreign policy and its service are becoming a battlefield and a continuation of our internal war—by other means. This was also confirmed last week, with the latest propaganda/diversion operation on the ambassador front.

The publication of confidential (dis)information about candidates for certain ambassadorial posts (specifically, about Orlandic and Vrhovec) aroused among part of the public the planned harsh reactions, which have little or

no connection with Yugoslavia's foreign policy interests, but on the other hand fit perfectly into the current internal struggles and campaigns against specific individuals who are "marked"—among the part of the public for which this was intended.

The arrow was thus fired, with the risk of also affecting certain of our interests in the world—for instance, our interest in acting in accordance with established international rules of conduct, as we could also request of others. This is because according to the Vienna Convention and established diplomatic practice, the names of future ambassadors can be published only after the countries for which they are designated have given their "agreement" (consent to their appointment). Any premature publication, according to the letter and the spirit of the Vienna Convention, is considered impermissible pressure upon those countries. What can we do, however, when we live in "unconventional" times, which do not have understanding and patience for the "fine points" of statutory, legal, or diplomatic "procedure"?

#### Campaign Against the Marked Ones

The publication of the above-mentioned (dis)information gave new scope to the nearly already vanished campaign against the "marked" ambassadorial candidates, and at the same time poured new oil onto the fire of the heated polemics and accusations against the "alienated cadre policy" in Yugoslav diplomacy, which provides "asylum," a "retreat," and a "foreign currency livelihood" for unsuccessful and failed politicians, on whom "the people has turned its back." All of this, it is asserted, is possible because the decisions are made "far from the eyes of the public," in "narrow and closed circles," and one Montenegrin youth lucidly concluded that "in the race for embassies, closeness to one of our numerous centers of power is still crucial." Good morning, Columbus!

How does one actually become an ambassador in our country? What are the criteria and the procedure for their selection? We tried to reconstruct all of the relevant phases—proposal, choice, and appointment—of the selection of Yugoslav ambassadors, on the basis of the available materials (laws and social compacts).

First of all, the most basic thing—how narrow (or broad) is the circle within which decisions are made on all of this?

The proposal for the selection of the chiefs of diplomatic missions is prepared by the Federal Secretary for Foreign Affairs, in cooperation with the appropriate republic and provincial organizations. The final proposal is approved by the Federal Executive Council, and the ambassadors and chiefs of permanent missions are appointed (and recalled) by the SFRY Presidency, by means of a Decree.

The second thing, which is also fundamental, is: who can "compete" for a job as ambassador?

The Law on the Conduct of Foreign Affairs defines the "cadre base" of Yugoslav diplomacy very broadly. It encompasses: "cadres working in the Federal Secretariat for Foreign Affairs [FSFA], other bodies and sociopolitical organizations, organizations of associated labor, and other self-management organizations and communities in the federation, republics, and autonomous provinces." In principle, then, the ambassadorial posts are open to all those who are in some sort of "associated labor."

That is, under certain conditions and criteria, of course. Here are some of the most important ones:

According to the Law on the Conduct of Foreign Affairs and the Social Compact on Cadre Policy in the Federation, candidates for ambassadors must have "the necessary sociopolitical experience, appropriate political/diplomatic and professional training, a knowledge of foreign languages, and other qualities." Those other qualities, in addition to familiarity with the SFRY's international policy and broader international political and economic relations, also include "socialist self-management morality," organizational ability, "culture and involvement in international communication," familiarity with domestic policy and current economic problems, and, naturally, a high level of professional education (acquired or recognized).

Our impression is that the conditions and criteria are so broadly and imprecisely defined that anyone who has gone through some sort of political school or some opstina committee, and furthermore reads the newspapers, can justifiably claim to satisfy all of them. For instance, it is not required anywhere that the candidate for ambassador be familiar with the political, economic, social, cultural, and other circumstances in the country for which he is "competing," which leaves room for cynical comments about how he will at least have something to learn during his tour. Ambassadors, however, are not any kind of exception: a similar criticism could also apply to our trade representatives abroad, and even to journalists, foreign correspondents, since, as the already cited Columbus has noted, "closeness to the centers of power" also has a crucial influence upon their selection as well.

#### Selection of the 40

Let us return, however, to our "manual" for potential ambassadors, both beginners and advanced. Since we have enumerated the conditions and criteria and cited the jurisdictions, let us look at how all this appears in practice. We can see it best through the example of the current process for the selection of 40 new Yugoslav ambassadors, which should be completed just within the next few days in the SFRY Presidency.

The preliminary process of preparing the proposal was begun in September 1987, when the FSFA sent the republics and provinces a list of the embassies that would become vacant this year, in 1989.

Two months later, in December 1987, the FSFA sent the republics and provinces a proposal for candidates from within the FSFA: a total of 24 names, coordinated by the Federal Secretary's collegium and the Cadre Commission. The republics and provinces were asked to express their views on the candidates from "their areas," and also to send additional proposals of republic and provincial cadres for the vacant ambassadorial posts.

The procedure in the republics and provinces lasted considerably longer than the prescribed 2 months. The appropriate coordinating bodies for cadre policy "combed through" the FSFA list, and supplemented it with their own proposals. That is how the famous "diplomatic lists" appeared, compiled within a narrow or broad circle, depending upon how cadre policy is conducted within a given republic or province. In some places, as we have learned, the consultations and proposals went down almost to the opstina level, while in other places, again, everything was completed in the highest "coordinations." The FSFA does not have anything to do with these lists, except for trying to explain and approximate to their proposers the criteria that should be adhered to. Although no one says so, our impression is that the FSFA would not have anything against making those lists public, because this would increase the accountability of the proposers and facilitate selection in accordance with the criteria in force.

Of the 24 candidates offered by the FSFA, the republics and provinces accepted 22. At the same time, another 94 candidates were proposed. Thus, in July 1988 a longer list was formed with a total of 116 candidates for the 40 ambassadorial posts. Their breakdown by republic and province, together with those from the FSFA, was as follows:

Bosnia-Herzegovina	18
Montenegro	6
Macedonia	12
Croatia	21
Slovenia	10
Serbia	14
Kosovo	17
Vojvodina	18

The structure of the qualifications of those proposed was assessed, on the whole, as satisfactory. The long list included 28 people with doctorates and 12 with master's degrees, and all of the rest had high-level professional education. The highest number had graduated from law schools (37) and economic schools (32).

Very few women were proposed—only 5. Even fewer, as we have unofficially learned, made it through the entire process—none.

More than half of the proposed candidates from the "long list" were officials in sociopolitical communities and sociopolitical organizations, fewer in the federation and more in the republics and provinces. For example: 3 members of the Federal Executive Council and 19 members of republic executive councils, 4 members of republic or provincial presidencies, 8 officials from the LC and the Socialist Alliance of Working People, and 4 delegates in the SFRY Assembly. Also proposed were 16 general directors, 8 university professors, and, miraculously, 2 journalists. Neither of those two "passed," as we have unofficially learned; that, of course, does not hold true for the 5 proposed heads of work organizations in the information area (mostly in television).

Of the 116 candidates from the "long list," 47 had experience in international relations and cooperation, and 20 could boast of "certain experience," while the rest still intended to acquire such experience.

Work on the "long list" was begun in August 1988. The FSFA, with representatives from the appropriate republic and provincial bodies, formed a joint consultative commission, which gave opinions on all the candidates (not only on "their own"). We note something illogical here: specifically, in order for any candidate from any republic or provincial "diplomatic list" to be selected and appointed ambassador, it is necessary that he have the support of all or at least most of the republics and provinces, since otherwise he would not "pass." In order for him to be recalled and brought back before the end of his tour, however, as we have seen and will continue to see, it is sufficient that he lose the confidence of "his base." The rest are not asked.

After a test of language knowledge (before an expert, and reportedly very strict, FSFA commission), talks with the candidates, and consultations in the joint commission and federal bodies, the "long list" was reduced from 116 to 55 names before the end of last year. They all meet the "general conditions" that are required of future ambassadors, but the supply is still greater than the demand: there are only posts for 40.

Further selection is being done on the basis of the special conditions established for individual embassies and ambassadors. For some countries, for instance, we are seeking a banking and financial expert, for others a successful businessman, for a third group a professional politician, and for a fourth group, a career diplomat. For certain countries, moreover, it is necessary to know a specific language, and not just any one (many people, for instance, speak Russian, but it is only "usable" in 3-4 countries).



Officials from the bodies of sociopolitical communities and organizations are most highly represented on both the "long" and the "short" lists: there are a total of 25 of them. It seems that they really are the "closest to the centers of power." They are followed by a total of 17 FSFA employees, which shows that the new list of ambassadors will not alter the already noted unfavorable ratio of "professionals" and "politicians." Of the 16 businessmen on the "long list," the selection, mostly linguistic, was "survived" by only 2, but on the other hand all 5 directors of work organizations in the information area remained, with particular emphasis on the "regime's favorite," television. Finally, the high scientific level of Yugoslav diplomacy should be guaranteed by 5 academicians and university professors on the "short list."

#### **Republic/Ethnic Keys**

The final proposal, approved by the FEC, in which, as we have learned, several candidates were offered for certain posts, went before the SFRY Presidency a few days ago. In addition to all the general and special conditions and criteria, the Presidency, in adopting a final position, must also take into account "equal republic/provincial representation" and a corresponding ethnic composition for the new list of Yugoslav ambassadors in the world. A considerable

amount of that work has already been done, and one can hear the names of the new ambassadors in the corridors from "reliable sources," but some half-truths and disinformation are being spread, with the goals that we mentioned in the introduction to this article.

We planned to conclude this marathon "anatomy of Yugoslav diplomacy" with a list of the newly selected ambassadors, but for the "conventional reasons" already described, we must postpone that until the Presidency completes its work (there are still 5-6 unfilled posts, as we have learned), and until "agreements" are obtained for all of them—since it is only then that they will really be "appointed." In any case, we call the attention of the readers of this "manual," both beginners and advanced, to the fact that the process of documenting the proposal of candidates for the ambassadorial posts being vacated and filled in 1990 and 1991 has already begun. Be cautious and careful, however, in choosing the "center of power" to which you will move closer. Many people who thought at one time that it was the FSFA, and that in that way they would reach their "embassy" most quickly, have come to regret it today. They found out, as a rule too late, that that path was roundabout and uncertain—just as all paths of expertise, knowledge, and professionalism are in general, in a society with such "political shortcuts."

## HUNGARY

### Defense Industry Tries To Offset Budget Cuts

#### Options Described

25000207 Budapest FIGYELO in Hungarian  
13 Apr 89 pp 1, 4

[Article by Pal Reti: "Defense Industry: Which Way Is It Leaning"; first paragraph is FIGYELO introduction]

[Text] Defense industrial enterprises have submitted their claims to the state. They described the damage done by defense spending cuts, what they are doing to avert crisis, and what kind of outside help they count on. The state is still pondering the matter, but does not promise much. Only the enterprises with programs for

quick return on capital, and for a changeover to capitalist exports can count on the state's benevolence. But how good are the chances of changeover?

Strictly speaking, Hungary has no defense industry. It has enterprises engaged in defense industry production instead. Military leaders drew this distinction recently. These enterprises are overseen by the Ministry of Industry, and are directed by enterprise councils. (The only exception is the Machine Factory of the Hungarian People's Army in Godollo. It is overseen by the Ministry of Defense.) In 1986 military technology sales contributed 22-23 percent of the net proceeds to these enterprises. Three percent of the military production was purchased by the Hungarian People's Army, 2-2.5 percent by other Hungarian armed bodies, and the remaining 80 percent was exported. [Percentages do not add to 100 as published]

#### The Most Significant Hungarian Defense Enterprises

	Ranking among 100 largest industrial enterprises according to production value (1987)	Percent of total production contributed by military production (1988)	Ranking among 100 largest exporting enterprises (1987)	Value of exports (billions of forints) (1987)
Videoton Electronics	8	35.3	3	10+
Diosgyor Machine	52	29.3	25	2-5
Fine Mechanics	81	79.4	16	2-5
Mechlabor Communications	—	82.2	42	1-2
Labor Instrumentation	—	n.a.	74	0.5-1
Weapons and Gas Appliance Mfg.	—	17.5	—	n.a.

According to Colonel Dr Karoly Janza, deputy group chief of the Hungarian People's Army Staff for materiel planning and economics, enterprises involved in military production "did not deal with military needs in a special or segregated manner. There were no regulations or subsidies different from general regulations and subsidies in this entire area of production. Not one enterprise enjoyed special status in the awarding of basic funding nor in the granting of favorable credit terms just because it manufactured military technological products for the Hungarian People's Army."

Nevertheless there were two exceptions. One was technological development and investment. The Ministry of Industry made available a separate defense industry development fund for enterprises to obtain interest free loans. "More stringent conditions applied to this fund than to civilian technological development, because a significant proportion of spending on military technological development must be recovered as part of the price of products manufactured in series," according to Col Janza. He adds: "this system did not favor basic research at all."

Since 1 January 1989 rules pertaining to all of technological development also apply to military development.

Enterprises can count on favorable determinations also in cases involving military industrial investments, although the bottom line on military investments has not been written in black ink for at least 30 years. Relative to investments of a supplemental nature enterprises received basic funding and loans from the state. In the last five years these enterprises were not designated, they applied voluntarily. According to Ministry of Industry chief division head Jozsef Bodi, this was necessitated by the fact that they did not want the budget to have the effect of making defense procurement more expensive, and similarly, it would not have made sense to export military technology at prices higher than those charged by the Soviet Union. This, after all, would have had a boomerang effect on Hungarian People's Army imports.

The other institutional exception from under standard rules was the system by which supplemental wages were

paid to workers in the military technology field. "Initially, this supplemental wage worked well in retaining a core of specialists with a higher level of professional knowledge, which is indispensable to the fulfillment of higher level technological requirements. But with the passage of time that too suffered the fate of per diem compensation."

Although many professionals presume that aside from the above, military technology enterprises received benefits also in regard to the tightest production factor of capitalist imports, Col Janza claims that such relationship does not exist, because "based on military policy considerations an overwhelming part of domestic production, and production for export purposes is derived from parts and components manufactured by Warsaw Pact nations under license, and this is likely to remain the same in the future."

After all this, it comes as no surprise why military leaders believe that the army is not responsible for the crisis experienced by defense industry enterprises. "The cancellation of Ministry of Defense orders is a necessary result of significant multiple cuts in defense expenditures. For this reason, while understanding and recognizing the difficult situation in which the affected enterprises find themselves, compensating for losses incurred by the enterprises is not incumbent upon the Ministry of Defense. The ministry has no financial resources available for such purposes," according to Col Janza.

Incidentally, other institutions, including the Ministry of Industry have no funds set aside for this purpose either. It is too early to tell just what the promised help to enterprises which got into trouble as a result of the "justified" sudden reduction in military expenditures consists of, according to Antal Hejj, Chief Division Head for industrial organization in the Ministry of Industry. For the time being all that is known is that the ministry encourages a rapid changeover to civilian production, and within that especially to capitalist export production. According to Hejj: "there are enterprises whose changeover program calls for running at a loss for as many as three years. We do not accept such programs, these enterprises must reduce their assets and the number of employees. At the same time we know that in many instances—manufacturers of complex military communications products, for example—changeover to civilian production will take at least a year." According to Ministry of Industry experts, one way to help could be "to give first preference among equals" to defense industry enterprise applicants for investment credits. Enterprises can also count on a reduction in the level of secrecy surrounding defense production, by making their plants accessible to foreign investors, and by permitting foreign investors to inspect the facilities. This has taken place already in several instances.

#### Structural Distribution of Hungarian Military Technological Production

Communications & Instrumentation Technology	75%
Artillery, Infantry, Weapons, Ammunition	12%
Vehicular & Aviation Technology Improvements	8%
Other (chemical, light industry, etc.)	5%

Source: Ministry of Industry

But just how much damage did defense industry enterprises suffer? In Hejj's estimate this year the Hungarian defense industry received orders valued at about 30 percent less than what they produced last year. The bulk of the decrease was in exports, for which the enterprises prepared themselves on the basis of valid intergovernmental agreements. (Incidentally, government officials active in matters related to the defense industry at this point call attention to the fact that about 50-60 percent of the amounts saved on military expenditures will be lost in the form of reduced tax revenues which would have flowed from the manufacture and export of weapons.)

Insofar as the chances of a changeover to civilian production are concerned, the technological level of present defense production plays a definitive role. This has some encouraging and some less encouraging aspects. According to a principle enforced in the Warsaw Pact framework, basic combat equipment, in other words, equipment used regularly by the armies involved, must not contain components imported from capitalist countries. Similarly, another principle requires that such equipment be manufactured only under Soviet license.

These principles substantially differ from the philosophy followed by communications industry enterprises. Since the 1950's the production of these enterprises has been characterized by manufacturing based on domestic development. The communications industry has the heaviest weight in the defense industry. Accordingly, except for a few exceptions, there evolved a strategy which has a "follower" character and which requires fundamental applications capability. In addition, third market sale of products manufactured under license is problematic from the outset; as a result of changes in the international situation the opportunity to export weapons to developing countries has been reduced.

It is no wonder then that Ministry of Industry officials are reluctant to comment on the chances of successful changeover. The following theoretical possibilities exist, according to Bodi:

—Producers of defense technology items could efficiently change over to the manufacture of industrial products. One should note however, that domestic demand for such products does not fully utilize the present civilian production capacity of these same enterprises.

—These enterprises could produce industrial products (e.g. civil aviation equipment) for socialist export. In this regard, however, the existing, tight civilian sector presents limitations.

—Finally, equipment for civilian use could be manufactured for capitalist exports, except for the fact that the present civilian part of the Hungarian communications industry is unable to effect substantial exports to capitalist countries. Perhaps weapons exports not paid for in rubles are in a better situation.

Accordingly, the situation of defense industry enterprises is the same as that of machine industry enterprises which thus far produces primarily for the Soviet market, according to Bodi. The only difference is that in defense production the decline of Soviet demand was caused by a drastic reduction in demand by the Hungarian People's Army—in addition to Soviet promises for armament reduction—and the fact that the change came suddenly and somewhat unexpectedly last November. Experts believe that qualitative and reliability requirements in defense plants are far more stringent than in civilian production, since the reliability of defense production is continually controlled by representatives of the military. Everyone knows that technological equipment produced by the defense industry is capable of withstanding greater temperature changes and more extreme external impact. These features may be applicable in part (e.g. in regard to outdoor equipment) in civilian production.

It appears, however, that not much change can be expected in the defense industry, particularly in the case of enterprises interested in exports, except for some occasional rescue work.

Socialist weapons exports will continue to take place within the rather rigid structure of intergovernmental agreements, and thus, the "unexpected" decline in domestic defense spending may expose the industries involved to new shocks. The enterprises have certainly learned their lesson. If nothing else, they learned that by now exporting weapons to the Soviet Union is not one of the most secure business pursuits.

As far as domestic deliveries are concerned—the smaller part of defense industry sales—the Hungarian People's Army too has drawn its conclusions. "The limited nature of resources demands a very stringent and disciplined preparation for decisionmaking, because as one or another developmental project progresses, investments increase at an exponential rate, but so do losses caused by the discontinuation or lack of success of a given development," according to Col Janza. "For this reason market methods play an increasingly greater role: competition, the gradual transition from cost based pricing to proportionate value pricing, as well as consideration of whether import procurement would not be more economical than domestic production."

[Box p 4]

'Things left out of this article....'

"State secrets in particular are (a) data pertaining to the organization of the defense and security of the Hungarian People's Republic ... plans and documentation related to people's economy defense preparations;

(b) data pertaining to strategic inventories, defense production, research, experiments which serve the defense and security of the Hungarian People's Republic, as well as data pertaining to inventions, products, and defense investments of outstanding significance for national defense;

(c) national data, and decisions made at the national level concerning the organization, ... combat outfitting, defense establishments, functioning, combat readiness, and the moral and political situation of the central and subordinate organizations of the armed forces and of armed bodies ...

(e) data classified as state secrets by parties to negotiations between the Hungarian People's Republic and another state, government or international organization; ....

(Excerpts from Law No 5 of 1987 concerning state secrets and service secrets)

'Depoliticization' Urged

25000207 Budapest FIGYELO in Hungarian  
13 Apr 89 p 4

[Interview with Gyorgy Valyi, commercial deputy manager of the defense enterprise Mechlabor, by Pal Reti: "Interview With an 'Arms Dealer': Time To Depoliticize the Defense Industry"; date and place not given]

[Text] The fact that Mechanical Laboratory Communications Technology Experimentation Enterprise [Mechlabor] was not struck as much by reduced defense spending as the rest of the domestic defense technology firms may be attributed more to the enterprise's traditions than to a conscious enterprise strategy. But as commercial deputy manager Gyorgy Valyi's words reveal, Mechlabor's arms exports are not free of problems either.

[FIGYELO] According to recently revealed data Mechlabor's defense production ratio last year was 82.2 percent. What were recent market conditions for these and for civilian products manufactured by Mechlabor?

[Valyi] We have only one family of civilian products: professional quality studio tape recorders. Our military products are sold not only in Hungary and in socialist markets, but also in developing countries. Decreased demand is felt primarily in Soviet exports, in this respect defense industry enterprises experience a double disadvantage. Because of our partners' difficulties in offsetting

our deliveries, the quotas have been reduced from the outset. On the other hand, as a result of zero balance military accounting a decline in domestic orders also results in reduced Soviet orders. We cannot complain about markets in which payment is not made in rubles. In recent times we exhibited our products at the professional shows of NATO countries, for instance in Greece and in the FRG. Quite naturally, our goal in this places is to impress the delegations of developing countries.

[FIGYELO] Does defense production represent some kind of an advantage to the enterprise? Do you receive preferential treatment regarding imports or to development?

[Valyi] In recent years we enjoyed no advantages as a result of defense production; we did not receive preferences in regard to capitalist imports. They gave us priority import funding only for the already consummated export transactions, but this too was received frequently only three or four months after the contract was signed. The benefit consists of a 10 percent defense industry wage supplement, but even with this wage supplement, the average worker salary is no higher than that of their fellow workers with the same qualifications, who work in civilian communications technology enterprises.

[FIGYELO] To what extent is Mechlabor's defense production dependent on Soviet orders?

[Valyi] Unlike other Hungarian defense industry enterprises, Mechlabor's military products were self-developed. For this reason too, the proportion of the Soviet market is not a factor in our case. We export primarily to the GDR and to Poland from among the socialist countries, and in these countries zero balance is not mandatory in the framework of military merchandise exchange. Friendly developing nations are important customers of ours. There was a year when 25-30 percent of our sales revenues came from these countries, our sales are almost exclusively cash transactions in dollars, frequently as a result of contracts awarded on the basis of open tenders. The best known Western firms are our competitors.

[FIGYELO] Is the fact that today Mechlabor is not dependent on the Soviet market a result of a conscious enterprise strategy?

[Valyi] No. Moreover, in earlier days we always envied enterprises able to regularly and without risk export to the Soviet Union several billions of forints worth of Soviet component parts based on Soviet licensing agreements. Incidentally, as a matter of exception, last year we too exported to the Soviet Union several millions of forints worth of goods. It is difficult to offset this dropout, but the problem is not unresolvable.

The experimental development character always defined Mechlabor's profile. Among our several thousand employees there are more than 100 highly knowledgeable developmental engineers. We manufacture communications systems to which computers are linked, and which can be mounted on any vehicle and can be used in any climactic conditions primarily on the basis of individual needs and guidance provided by various armies. There is demand for such systems.

[FIGYELO] Does this mean that Mechlabor will not suffer at all from reduced defense spending?

[Valyi] Undoubtedly, we too are affected by "disarmament," but we are not pessimists. We preserved both our capitalist and socialist markets, we regard the decline in defense orders as temporary, because there always will be a need for electronics in armies. Moreover, as a result of decreased expenditures there may be a greater need than before. In addition, we too are trying to render certain military apparatuses suitable for civilian use, e.g. for disturbances in the postal network, meteorological networks, navigation, etc.

[FIGYELO] Accordingly, you have no claims against the state as a result of military orders that did not materialize?

[Valyi] Since we too incurred some direct damages, we requested help from the organization that oversees our operations. We would like to see a reduction in the unrealistic high tax to be paid after socialist exports, and the elimination of general sales taxes to be paid on investment credits obtained with the involvement of the National Defense Committee. Originally we received these credits so that we did not have to pay even the since discontinued 18 percent accumulation tax. Additionally, it would be useful if costs related to centrally prescribed mandatory product development would be reimbursed, because due to a significant decrease in demand we cannot expect to recover these costs through sales. Quite naturally, we too are making efforts. In addition to the above mentioned endeavors we are making efforts to increase the ratio of civilian production. To accomplish this we have started new development projects, we are reducing our expenses, and increasing the independence of our plants. The latter is expected to result in improved efficiency.

[FIGYELO] In addition to occasional subsidies and case by case bargaining, do you have any ideas on how the increasingly tightening socialist export contingents could be distributed?

[Valyi] Every interested enterprise knows that socialist exports cannot be dealt with separately from capitalist exports. Generally speaking, socialist exports represent continuous orders—secure sales revenues. If contingents are reduced and the contingents must be redistributed, the redistribution should be linked to capitalist exports, while taking into consideration demand which is capable to pay,

as well as profitability. The contingents should be distributed to enterprises which have a well-founded capacity to engage in significant capitalist exports. In addition, the production tax which strikes socialist exports should be reduced. Insofar as Mechlabor is concerned, the amount of socialist export production taxes is twice the amount of profit taxes sanctioned by Parliament, despite the fact that as part of the electronics industry Mechlabor's tax rate is only 18 percent, and not 24.

[FIGYELO] In conclusion I have one more question to ask concerning defense technology exports. You have a good chance to increase your weapons export transactions subject to dollar settlements. Why is this not your primary business?

[Valyi] It is our primary business, but in this respect, for the time being we are confronted with quite a few obstacles. Export monopoly survived in an unchanged manner in the defense industry, and the army's word is also decisive in regard to arms export. The time has come to depoliticize the defense industry, it is not necessary to make a fetish out of these products. The telecommunication equipment we make is also available elsewhere in the world. From our standpoint export monopoly means that we have a chance only in markets where Technology Foreign Trade Enterprise has established relations. This is so, even though in my opinion we could sell also in other markets if we could utilize the market connections of other Hungarian foreign trade enterprises.

In addition, there would be a need to more forceful state level marketing, because these products, and particularly the larger systems, are "sold" by governments everywhere in the world. This kind of activity does not appear as embarrassing either to the Americans or to the Soviet Union.

There also would be a need for a more intensive involvement on part of the army. Namely, with respect to military equipment, and particularly in cases involving larger systems, the number one reference is the application of such equipment or system in the manufacturer's domestic army. Exports are in the army's interest too, because the products it needs could be manufactured in larger series.

The few enterprises involved in domestic defense production have decided already to establish a common marketing organization, and to advertise our products in unified prospectuses, and to make joint offers for the delivery of systems.

#### **DIGEP Bonds Affected**

25000207 Budapest FIGYELO in Hungarian  
13 Apr 89 p 4

[Interview with Ferenc Petrahai, Investment Bank division director, by Emilia Sebok: "Peace Bonds?"; date and place not given]

[Text] I do not know how many people safeguard in their closets or in the depth of their desk drawers Diosgyor

Machine Works [DIGEP] bonds. But since there is an increasing number of news reports concerning economic problems in defense production plants, one wonders how secure those investments are. This is the question we asked from Ferenc Petrahai, Investment Bank division director.

[FIGYELO] Last summer DIGEP issued bonds worth 80 million forints. Were these securities sold?

[Petrahai] No, even today we have some left with a face value totaling 15 million to 20 million forints. But this is not related to DIGEP's problems, because the public has learned of those only in recent weeks. The explanation can be found more in a generally soft demand for bonds, which is natural in inflationary times.

[FIGYELO] These bonds were issued for the purpose of financing the enterprise's production structure transformation, or to obtain supplemental funds to accomplish that. As DIGEP's representatives, are you aware of how the funds collected were used in this case?

[Petrahai] The organizer of bond issues does not necessarily have accurate knowledge of how funds are utilized, because in Hungary the issuers of bonds are not subject to the same degree of accountability as they are in developed capitalist countries.

On the other hand, we are aware of the fact that DIGEP was a stable enterprise at the time the issuance of the bonds began, and that it intended to stay that way with the help of the funds received and with structural transformation. Financial concerns emerged toward the middle of last year, well before defense orders unexpectedly declined. Regulatory changes and the increased cost of nonmilitary products—increases which they were able to pass on through their prices before—turned the formerly profitable enterprise into a loss operation. The real big problem, however, did indeed appear this year as a result of decreased demand for military products. But since almost all of DIGEP's machinery can be converted, we may be confident that the planned structural change can be accomplished with the help of the bond issue and the planned attraction of foreign operating capital. Among other matters, this program includes the production of auto parts, the manufacture of machine tools, pumps, and other matters.

[FIGYELO] The wording on the bonds indicates that DIGEP, the issuer, is responsible for the payment of interest and for installment payments, and that all of DIGEP's assets and income serve as security for such payments. A similar guaranty was provided by the Hungarian Credit Bank Inc. Does this represent sufficient security for bond holders in an extreme case if DIGEP is unable to recover from its problems and becomes insolvent?

[Petrahai] Thus far, fortunately, not a single firm which issued bonds went bankrupt. Therefore I cannot make reference to an established practice. But I definitely dare



say that the security of small investors, and their own reliability is far more important to banks than to permit any kind of uncertainty in a case like this. The bank would make regular interest as well as installment payments. In other words, a bond holder would not even

notice that there were problems with the bond issuer, unless he heard of such problems elsewhere. And the bank could enforce its own claim against the enterprise in a manner stipulated in the agreement that governs the bond issue.

## HUNGARY

### **Deregulation of Agricultural Cooperatives Urged**

25000170b Budapest FIGYELO in Hungarian  
23 Mar 89 p 11

[“Summary” of report “Ownership Reform in the Agricultural Sector” prepared by the Economic Management Advisory Committee’s No 6 working collective (Economic Management’s Peculiarities in Agriculture) under Dr Bela Csendes, chairman; first paragraph is FIGYELO introduction]

[Text] State interference in the agricultural cooperatives’ functions as owners exceeds the limits of what is necessary, and hence of what is tolerable. Based on the statutes and the economic regulators now in force, state activity affects, prescribes, regulates, restricts and, as experience shows, also hampers practically every aspect and element of cooperative ownership. The Economic Advisory Committee’s No 6 working collective (Economic Management’s Peculiarities in Agriculture), chaired by Dr Bela Csendes, has prepared a comprehensive report on ending such interference and creating a basically new situation. The report is entitled “Ownership Reform in the Agricultural Sector.” The following is a summary of that report.

The councils, local party and other mass organizations, in many instances the corporative organizations, and even the large enterprises and banks that maintain relations with the cooperatives, through the complicated network of informal channels, interfere in the life and farming of the agricultural cooperatives, and in the final outcome in the processes of exercising the cooperatives’ functions as owners.

#### **Reform of Ownership**

A primary precondition for reforming cooperative ownership, therefore, is clarification of the state’s role, of the nature of the relationship between the state and the cooperatives, and of the meaning of cooperative autonomy. All this must be regulated in a new Law on [Agricultural] Cooperatives which provides legal guarantees to ensure that a cooperative’s members are truly its owners and are able to exercise their functions as owners, for their own account and at their own risk.

Within the agricultural cooperatives the preconditions for reforming cooperative ownership are freedom to choose among the various cooperative forms, a broader role for entrepreneurship, the principle that cooperative property is indivisible, and democratization of cooperative self-management.

Freedom to choose the cooperative’s organizational form means the cooperatives’ complete independence in regulating their internal relations.

Individual, family and group entrepreneurship, which already exists and will have to be supported also in future, is the way to reforming cooperative ownership and making the cooperatives more enterprising. Numerous forms of such entrepreneurship already exist, and the most noteworthy among them is the one where the entrepreneurs risk also their own capital. The agricultural cooperatives must themselves decide what should be the respective proportions of large-scale farming and of small-scale farming within the cooperative.

The cooperative’s member must have an interest in the formation (indeed, in the very existence!) of collectively owned property, and in its constant enhancement and growth. This indisputably is one of the decisive conditions for perfecting cooperative ownership, and for making the members feel that they are the owners.

#### **Left to Members**

The cooperative’s members must exercise their rights and functions as the cooperative’s owners within the framework of cooperative self-management. Cooperative ownership reform presupposes rethinking and modifying the entire system of cooperative self-management, and also its consistent democratization.

The shaping of the internal conditions for reforming cooperative ownership must be left to the cooperative’s membership.

As a result of all this, the basic agricultural cooperative will become a sort of holding and property-managing center; the integrator of the individual, family, group or other ventures formed within, or attached to, the cooperative; a purchasing, marketing, and occasionally even financing organization; a quasi “secondary” or even “tertiary” cooperative.

A significant proportion of a cooperative’s members will participate in the cooperative’s operations not only as workers and collective owners, but also as part owners (co-owners), investors, entrepreneurs and tenant farmers. The warranted aspirations of individuals, families and groups to lease or buy land can also be expected. On the basis of mutual interests, also these tenancies and other land-use and individual land-ownership relations could (and indeed will!) be linked to the cooperative’s purchasing and marketing services, and its processing and other activities, thereby adding variety to the system and mechanism of cooperative ownership.

#### **New Role**

In the agricultural sector, however, there is also state ownership in addition to cooperative ownership. Is the retention of state ownership warranted? The answer is clearly in the affirmative, even if the dominance of collective and small-scale farming is typical of agriculture. Not even the advanced capitalist countries have

abolished state ownership for public purposes or have dispensed with the budgetary revenue that the state farms' profits from efficient operations in the competitive sphere contributes.

But the forms of ownership must be changed here, too. It is imperative to eliminate the bureaucratic red tape that makes the state farms' operations cumbersome, limits their effectiveness and makes their employees indifferent; to change the state farms' functions; to transform their system of management; and to make the introduction of entrepreneurial interest and organizational solutions widespread.

A part of the state farms' property and acreage would continue to function in future as village or municipal property. The model and experimental farms attached at one time to universities and research institutes could be restored and operated as foundations.

Various associations and federations could also be assigned state agricultural property for special purposes, such as gene banks, hunting, tourism, etc. Here the owner's rights would be exercised by boards of trustees.

Most of the state farms and state forests could continue to operate as profit-oriented businesses under the traditional self-managed forms of business organization, with employee participation in the profits as well as with entrepreneurial business associations.

#### With Own Capital

To create an owner's attitude, a proportion of a state farm's capital could be distributed among its employees, free of charge and commensurately with their length of service, in the form of employee participating bonds, on the principle that the employees' efforts also have contributed to the growth of the state farm's net worth. But the real purpose of distributing employee participating bonds would be to make abstract and remote state ownership directly perceptible to the employees.

Over and above this, the employees of a state farm could also buy employee participating bonds, which would strengthen their long-term incentive and would also raise additional capital for the state farm. A [purchased] participating bond would be transferable between employees, and redeemable by the farm. But the fact that state farms usually are able to pay only modest dividends from their after-tax profit detracts from the employee participating bond's significance. (This situation, of course, could change.) Moreover, an employee participating bond offers no hedge against inflation, and this likewise dampens interest in such bonds. This could be remedied if employee participating bonds could be sold and transferred in the same way as shares, or if the after-tax profit were distributed among the employees in the form of employee participating bonds.

Another possible version would be one where a state-farm employee contributes his own capital, equipment, intellectual ability or labor to some activity. Using their own equipment, for instance, loggers on state farms would be working both as part owners and employees. Or the state farm provides the capital for an excellent idea, and the part owner contributes his intellectual property. This way the owner's rights can be exercised, and there is also an assumption of risk.

The formation of entrepreneurial business associations (limited-liability companies, limited partnerships, etc.) would likewise provide an incentive to generate profit and retain earnings, and would create a stronger owner's attitude. By transforming an organizational subdivision of a state farm into a one-man limited-liability company, for instance, a stroke of the pen could change an employee's attitude to state property and how much he might earn. Employees would become tenant farmers, free of the restrictions imposed by pay regulation. There are also other advantages, by no means negligible: simplified bookkeeping, no obligation to maintain inventory records, the bank's participation, reasonable rent payments to the state farm—they all seem very promising. The limited-liability company would also be able to attract foreign capital, which offers further advantages.

#### Solution: Corporations

Consideration should be given in future to introducing forms of part ownership that go beyond what has been discussed above: namely forms under which a state-farm employee could not only lease land from the state farm but could also buy it, which he would then farm either as an entrepreneurial business or a separate family one. It would be possible to give state-farm employees a right of first refusal by offering them long-term (30-year) mortgages at favorable interest rates.

The tasks of the property-managing centers operating under various forms of business organization would be: to see to the profitable utilization of state property; to support the formation of various business associations; when necessary, to reallocate liquid capital or to provide for the utilization of illiquid capital; to petition for bankruptcy and handle the distribution of assets; to administer the Enterprise Cooperation Fund, etc.

Radically new solutions are necessary also for the ownership relations in the state sector of the food industry. There is an enormous difference between the food industry's vertical integration announced more than two decades ago and the situation that has evolved since then. Rather than vertical integration, therefore, the combination of business interests will be the solution in future. By meeting the challenges of the market, and by effectively combining activities both horizontally and vertically, a combination of business interests could achieve higher profits. It would coordinate the interests in the production and processing of raw materials, and in

domestic and foreign trade, thereby improving the competitive position of these branches. State enterprises, cooperatives, banks and private entrepreneurs could pool their capital in a combination. The corporation would be the most suitable form of business organization for the joint venture.

#### Professional Farmers

Reform of the ownership, use, and sale and purchase of land is one of the conditions for creating a market economy.

Farmland should be transferred into the actual ownership of those who now manage and farm it.

Until realistic land prices develop in a market influenced by market forces and bargaining, the value of land held by farmers or included in the nation's wealth should be imputed.

In addition to modernizing ownership relations, it will also be necessary to regulate by statute the use of land and its leasing. The organizing principle should be that also private individuals may buy or lease land now belonging to the state or to cooperatives. Neither the quality of farmland nor the type of settlement in which it is located should restrict its leasing. Determination of the size of the household plots or allotments should be left to the large-scale farms and their collectives respectively.

Statutes would likewise regulate the transfer, sale and purchase of land, and the possibilities for the evolution of a real-estate market. Farmland could be exchanged, bought and sold without any restrictions between state farms and cooperatives. The same rule would apply to private individuals, provided they have suitable training and experience, and are farmers by profession.

The area of farmland that can be bought would not have to be limited initially, perhaps only later, once a real estate market has evolved. The practice of combining the area of land owned by family members, and the differentiation in accordance with the quality and location of the farmland, will have to be abolished.

#### Benefits of Privatization to Commerce Analyzed 25000193a Budapest FIGYELO in Hungarian 30 Mar 89 p 9

[Article by Istvan Csillag: "Back to Private Ownership: And yet, Whose Interests are Served?"]

[Text] Although various studies and publications barely dealt with the functioning of state enterprises, privatization, and the radical reduction of the state sector's weight, these topics have already provoked opposing views and lively debate. Is it possible to take some quick, radical steps in this area? And if so, how? Is it worthwhile to take such steps?

Seemingly, arguments both supportive of, and opposed to privatization—the termination of state commercial enterprises—are in full agreement regarding the fact that in Hungary as well as in the rest of the socialist countries the practically full nationalization of stores and shops (or their being forced into cooperatives) was a mistake. Some express this idea in an elegant fashion by saying that "the nationalization of 1948 by far exceeded rational limits." Others view the entire matter as mistaken, by saying that the nationalization of commercial outlets was an expressly anticonsumer measure, and did not serve any purpose except rendering individuals dependent on state economic policies. In other words this meant that the maximum sacrifice had to be squeezed out of consumers for the sake of a beautiful hope in the future, on the altar of socialist accumulation.

#### Where It Came From?

This seeming unanimity of opinions leads to different viewpoints, however. There are some who envision the reprivatization of state commerce—in this sense of the term—as historical justice being done, while others view the establishment of a more efficient framework as a sensible reduction of the state sector. Still others hope to have discovered in the privatization of commerce the embodiment of the first tentative steps toward exchanging a mistaken proprietary model for a mixed ownership economy.

Perhaps it will not be without interest to take a glance at the origins of the renewed emergence of the privatization idea. Where it came from, who and for what purpose used the idea, and what viewpoints took shape in the process of pondering the idea. Recalling the way the struggle progressed against heavy state withdrawals that burdened the enterprise sector, we must not forget that the enterprises assembled under the umbrella of the Hungarian Economic Chamber recommended that in the interest of reducing the rate of entrepreneurial profit taxes the government should endeavor to uncover new revenue sources. Among these enterprise recommendations the sale of state property or privatization played an eminent role. True, these enterprise recommendations were never defined in a specific form. Nevertheless, one cannot rule out the possibility that the recommended state property envisioned to be sold included not only the Wonder Castle training centers and hunting lodges run by various party organizations and trade unions, and continuing education centers of ministries lined up on the Roman Shore with their private swimming pools. Perhaps, if not primarily, they also included the plants of individual enterprises and the proprietary right attached to various enterprises.

This idea cannot be ruled out, because some of these state-owned large enterprises were the ones who began to demolish monolithic ownership by the state and the resultant enterprise organization. In other words: these enterprises pointed the way in the direction of a certain kind of privatization and proprietary reform so often

mentioned at the agitation and propaganda level, but which was developed in reality by some experts only. Consequently, it can be no coincidence that when the government embraced the enterprise recommendations voicing the severance and the sale (commonly known as privatization) of state property in the 1989 law concerning the budget, it did not surrender the idea of selling certain groups of enterprises, and some assets held by enterprises either. And yet, the discourse reflected by the press suggests a turnaround in enterprise views.

Are we once again faced with the reheated version of "except me"? Or do newspapers once again present views which, in general, demand the termination of special treatment, special subsidies and channels through which funds are withdrawn, while at the same time specifically and individually fight the idea that these measures first be applied to them. It is apparent that this possibility cannot be ruled out either. Yet, a line of thought advanced in recent weeks by some experts deserves attention. Interestingly enough, these experts play a serious role in thinking through and realizing proprietary reform, yet their rationale is opposed to the privatization of commercial enterprises and against the method of privatization. Their ideas must be taken to heart and considered.

### Conflicting Interests

The privatization of state enterprises and of state property under the management of enterprises may take place in two ways. One way is to sell the ownership rights to enterprises in the form of securities and parts of business, i.e., capital property would be sold. The same takes place at a different level when real assets, i.e., fixed assets, among them businesses, machinery and equipment managed by the enterprises are sold. One of the suggestions (FIGYELO No 5, 1989) emphasizes this aspect exclusively and considers the sale of capital ownership rights. The other idea concentrates on the capital ownership and management functions, i.e., it focuses on capital property and on real assets, and seeks the discontinuation of enterprises in their capacity as operators of individual commercial outlets.

The recommendation which seeks to discontinue state commercial enterprises and suggests that individual shops and stores be privatized and sold has its starting point in the perception that the central enterprise function of operation is unnecessary, moreover that it constitutes a superfluous burden from the standpoint of both the outlets and consumers. For this reason, the network which linked the individual outlets has no value when it comes to selling the outlets; discontinuation of the network and the individual sale of outlets will not lead to a loss of value or waste.

The other conception would discontinue the enterprises' proprietary, sectoral features, but not their form of being enterprises. Its starting point is that the value of the

outlets would be less if their ties to the network were to cease. For this reason it is appropriate to privatize the enterprise itself, rather than the outlets.

One should not rush into making a value judgment in this debate. One cannot say that the view which advocates the privatization of outlets and the termination of enterprises has the interest of the entrepreneur, the merchant at heart, while the alternative view which would change the proprietary form of enterprises while retaining the enterprises has the interests of the network in mind, and that in this view the interests of entrepreneurs and merchants are secondary.

In commerce and in the field of service provisions in general the question sounds like this: is there a need to change owners, a change which then would lead to substantial changes in the management and operation of individual outlets? Or would the changing of owners, privatization serve the purpose of changing operations, meaning that by transcending directly above the enterprise one should target the outlets?

### Privatization Guided By Demand

I believe that the statement of Ministry of Commerce chief division director Attila Kiraly (NEPSZABADSAG 29 Dec 89) and related viewpoints lean toward the latter interpretation, while other viewpoints reflected in the press emphasize primarily the first suggestion. Along with these, all other arguments presented in the above referenced FIGYELO article appear to deal with secondary issues. If we view the changing the proprietary reform, (i.e., authority to actually transfer state enterprises to owners concerned about their money) as a task that cannot be delayed, and if in the framework of this idea in given instances we consider breaking up the enterprises—because they prevail much better as individual components of the enterprise—then the privatization of commercial enterprises—even if this means the termination of the enterprises—is not a supplemental action which has some side effects, it is not siphoning away of industrial resources, and is not necessarily the result of a mistaken conception.

In a commercial enterprise privatization process which underscores the significance of stores and merchants, the main role is not played by state administration, and not even by enterprise managers who guide enterprises from enterprise headquarters. Instead, the lead actors are the entrepreneurs, the merchants who wish to manage and operate the outlets. Using this as a starting point, in other words, if we have in mind a privatization guided by demand, we must, supposedly take into consideration different measures, different rights and different effects. Privatization guided by demand starts out with an announcement by one or more private persons or their companies expressing an interest in an outlet managed or operated by such person or persons, i.e., that they intend to buy that outlet. At this point, when an intent to

buy is announced it would be appropriate for the enterprise at least not to reject the offer outright, but to instead assess whether or not the offer has foundations, as well as the price and the conditions of the offer. A process of bidding taking place thusly may produce a variety of outcomes. It is conceivable that the enterprise would not want to sell the outlet at the price offered, or, perhaps, the enterprise could recommend that the private bidder lease the outlet. But in given situations the enterprise could sell the outlet.

### The Consumer Votes Through His Pocket

What kinds of market factors and calculations would motivate the enterprise's decision? First of all, the market value of the business, meaning that the enterprise should examine whether the price offered is consistent with real estate values. The second question is how the price offered relates to a capitalized leasing fee. Finally, consideration must be given to the approximate sales volume, and the price differential and profit that would be lost by selling the business. This too must be taken into consideration in establishing a selling price for the outlet.

What is new in a mechanism guided by demand, such as the one described above? Today's laws do not bar enterprises from selling their outlets even to private persons. Supposedly all we are talking about is that the cabinet's statement affirming privatization signals the fact that selling one or another business to a private person is not a corrupt criminal act. It does not represent the undermining of the strong bastions of socialism. Instead it is merely an economic matter. One that must not be brought to fail by real or perceived concern about the loss of power, or for reasons of intending to perpetuate the enterprise headquarters.

"Helping" measures in given instances should be no strangers to privatizing outlets of commercial enterprises as guided by demand. These include the announcement, among other matters of a new form of credit provision. In no way does this represent a change in the calculations of the investor. It does not mean that capital, or resources utilized for purposes of obtaining credit are taken away by commerce from the processing industry which is in great need of such resources anyway. The establishment of a credit practice is called for which does not make distinctions from the standpoint of whether the privatization of a commercial enterprise or an industrial enterprise is taking place, and for which of these purposes one borrows in order to pay the selling price. Moreover, the credit policy called for must treat intents to buy uniformly also from the standpoint of whether the money is spent on securities which are embodiments of capital ownership, or for the acquisition of part of a business, or for the purchase of certain assets, such as outlets of state enterprises. In the event that less than the entire selling price is channeled into the enterprise's coffers, but instead is directed to the state budget or to some fund segregated from the state budget—so-called

asset funds—the money owed to the central bank could be taken out from the proceeds. Thus the central bank would have an opportunity to increase its credits granted to commercial banks.

Quite naturally, privatization guided by demand may have its losers. One loser may be, for example, the enterprise headquarters, which must adjust to the increasingly reducing enterprise organization. In given instances the entrepreneur too may be a loser, the one who made his calculations incorrectly, who cannot make a living from the store he purchased, and if he took out a special purpose loan for these purposes, the one who cannot repay the loan. And, of course, the consumer too may be a loser. He may be adversely affected if the outlet's change of ownership resulted in increased prices or in an unfavorable selection of goods. These dangers would exist in case of any change, however.

Obviously, one matter cannot be disregarded: in a market economy it does not necessarily follow that irrationally established enterprises and commercial networks continue to survive, and that it is not rational in a market economy that in a store the consumer is confronted not by a merchant, but an employee of enterprise headquarters. During the past 40 years immense damage was caused by the fact that on the other side of the counter there stood a salesman who was not dependent on the consumer, and who did not want to be of service to the consumer. Quite obviously, these damages cannot be repaired overnight, but those on the other side of the counter may be forced, and more importantly, may be motivated to give preference to the consumer interest. And although the decisions and interests of the leaders at enterprise headquarters are very respectable, and although the calmness of council officials supervising the management of commercial networks is extremely important, in regard to the attitude of commercial outlets toward the consumer the ultimate judgment is rendered by the consumer. As we all know, the consumer votes by his pocket, and if I'm not wrong, despite all distorting factors we must realize that commercial business fields in which the private sector or contractual operations are widespread, sales volume and profits have increased in a far greater proportion than they did in outlets which did not change their method of operation. It would be difficult to perceive how this could have happened despite the consumer, or that the figures resulted from data manipulated from the beginning. Accordingly, if we take into consideration the consumer interest, it is unlikely that we may talk about just [some sort of] supplemental action.

Without a doubt, however, there is no need for some spectacular large state action, campaign, government commissioner, or a legion of bureaus, bureaucrats and do nothings. A government commissioner is not needed to make the consumer feel good. Instead a government that is sure of itself is needed, one that considers consumer interests, one that depends on the consumer. A government which is sure of itself, and does not waste



state property. One manifestation of a sure hand would be for the government to offer masses of shops and stores for sale thus dictating bargain prices against its own interests. And in this respect I certainly agree with the authors of the FIGYELO article: To whom could the cabinet's noble government commissioner turn with his protest against bargain prices, if the cartel office established by government does not function, and as long as competition is protected only by words.

### **Stock Ownership by Senior Workers Seen as Solution**

*25000193b Budapest FIGYELO in Hungarian  
30 Mar 89 p 6*

[Notes taken by Emilia Sebok: "The Meditations of an Enterprise President: At the Threshold of Ownership"; first paragraph is FIGYELO introduction]

[Text] For months now, various committees and research institutions feverishly searched for the "owner," or, in more respectful terms, they developed the basic principles of proprietary reform. The proposed law on transformation, one of the important elements of this process has reached the enterprise managers' level only a few days ago, so that they express their views. We asked some questions from Janos Vad, President of the United Chemical Works. One may disagree with his views, nevertheless it would be folly to disregard them.

It is at least as difficult to discuss ownership issues related to socialism from a spiritual standpoint as it is from a professional point of view. Namely, 40 years ago when nationalization took place we sincerely believed that we were freeing workers from exploitation. This is so, even though we also knew that we did not terminate capitalist property, the legal basis of exploitation, in a well-mannered fashion. Expropriation took place without indemnification. Then later on we also had to recognize that although we satisfied the requirements of class struggle, we did not transplant from the old system the efficiency of business management. For a long time we did not recognize the reasons, or, we did not dare to call those reasons by their names.

Today we can admit: Even in the primitive Hungarian capitalist economy there were people to lead enterprises, and to manage private or partnership property. These people were able to render those enterprises or properties successful, because this was expected of them by the owners. In other words: Natural selection prevailed within leadership selection. And the owners did not get involved in everyday management; the manager (who in those days responded to the title of managing director or Mr Superintendent) qualified on the basis of profits deemed sufficient.

We, on the other hand were sufficiently naive to believe that we could entrust the leadership of enterprises to mostly incompetent, but well-intentioned people, so that the wisdom of, and control exercised by the collective

would ensure the successful operation of the property acquired free of charge. Although we had no idea of this in those days, the source of our troubles appeared already in the expropriation of means of production without indemnification: The easily acquired property had no worth in the people's mind, and it was destructive also in a moral sense because it suggested that one could take away something that belonged to the other without consequences. This is so because we also believed that socialist morality is of such high order that it can rise above this method of nationalization without spiritual distortions, and that later this morality would become the collateral for efficient production.

By now we recognize that in this respect ideological and domestic policies were somewhat akin to the magician's assistant who could not control the genie once it escaped from the bottle. We did not know in advance, but we later learned through experience that a majority of workers continued to feel like simple hired workers despite some grandiose slogans like "the factory is ours." Moreover, people increasingly felt that they were being exploited also under socialism. Although still today, they do not know just how much the state takes away, they are aware that not only do they not receive a share of the profits, but that they also do not receive full value for their labor. And by now they do not accept the explanation according to which the value taken away from them is returned in the form of state organized care. Namely, increasing amounts must be paid for the so-called free provisions, and the institutions of state public authority do not always function in the interest of the people. Quite often they act expressly against the people. Let's just think about certain past deeds of local councils for instance. Under such circumstances it would be a mistake to believe that people view the factories and plants where they work as their own.

Instead of continuing with this hypocritical peacockery, we should openly state that this kind of ambiguous property relationship developed the worst kind of hired worker outlook and style. Namely, the classic hired worker at least manifests no malice toward the owner because he is free to bargain over his work and wages. And an employee is also aware of the fact that an enterprise manager has legal means available to protect property. In contrast, a smaller or larger segment of [today's] Hungarian workers has hostile feelings toward property, because of the already mentioned feeling of being exploited. This social schizophrenia manifests itself among other matters in a large number of pilferage incidents in workplaces, frequent damage caused to property, idleness, unauthorized absences, and the mass of phony sick leave, but also in the fact that when the head of an enterprise wants to get rid of such irresponsible property users, more than once he will be confronted with forceful opposition expressed by various organizations. But somewhere, at the ultimate level perhaps, one can even understand these people when they accede to such coarse methods and try to recover a little of what the state has taken away, by using similar coarse methods. Accordingly, there does not exist a clear proprietary relationship which could serve as the foundation for a consensus ensuring social justice.

On various grounds, United Chemical Works paid to the state budget altogether 470 million forints (see the table) while in lieu of their labor workers received 77.5 million forints. Regardless of how I view these figures, we are paying to the state at a minimum five times as much as we pay to the people who produced this value and value increment. For this reason I can confidently say that the Stalinist model of socialism is none other than state capitalism.

It is not true that in the course of production capital, labor, and intellectual power are of equal rank. Accumulated capital is worth nothing without human involvement. And we respect this human being the least. The worker has alienated himself from labor: We took away from him the joy and honor of performing high quality work. This has gone so far that at least in Budapest one cannot seriously discuss unemployment and difficulties in making a livelihood at a time when people do not accept assignments in two shifts even for extra money, not to mention assignments calling for continuous production. And the manager entrusted to run state property in an efficient manner cannot do otherwise than to impotently watch the factory which comes to a standstill in the early afternoon or at the end of the week, and to count the profit which was never produced.

Accordingly, the time has finally come to truly socialize our means of production. But if we perceive this task in the form of privatization, we will find ourselves on the other side of the horse, once again on a mistaken path. The factory must be given away in the form of personally designated workers' stock, to people who have worked in the factory for a long period of time, and who increased the state's assets by virtue of their labor. No one else has, or should have anything to do with this. No outside investor should profit from the struggle of those who work here, because that would mean that we have reverted to private exploitation from the state capitalist exploitation we have practiced thus far. If capital must be increased in the future, that too can be accomplished through payments received from the workers of Chemical Works. Because if people truly feel that the factory is their own, and if after a decent and legitimate sharing with the state—which does not resemble the present sharing—they receive the fruit of their labors in the form of wages and dividends, they will bring their savings and possible inheritance here, and not to the National Savings Bank [OTP]. This is even more true because within the system I perceived there would also be an enterprise residential fund and a pension fund. Continuing with this line of thought: If the resources available to workers would be short of being able to increase capital, we would permit only the various pension funds to act as outside investors in the factory and to provide the needed capital, because in this way the profits they earn would at least help preserve the real value of pensions.

I am aware of the fact that this perception is rather remote to the ownership rearrangement published in the legislative proposal concerning proprietary transformation. One could feel that the legislative proposal was

written at a desk, (not in a factory). But my perception would be very similar to the ownership relations in existence at the largest West European firms, where a substantial part of the capital is in the hands of small stockholders. Today Volkswagen or the Hoechst firm in the FRG represent a far more socialized property than United Chemical Works does. We should follow their example in socializing productive forces, and in developing a functional socialist economic model to replace the proprietary conditions which hover between "red barons" and masses of faceless, gray hired workers. The fixing of deformed state enterprises could help much more than small enterprises could in repairing and consolidating the country's economy.

#### 1988 Relations between United Chemical Workers and the State Budget

	Millions of forints
Total income	3571.0
—from budgetary subsidies	34.1
—without subsidies	3536.9
Total expenses	3485.8
Profits I. (with subsidies)	85.2
Profits II. (without subsidies)	51.1
Excises (taxes, annuities, etc.)	
Profit taxes	41.8
Sales taxes	99.6
Foreign Trade Deficit	
—for materials procurement	120.9
—for domestic sales	70.8
Customs duty	43.4
Import licenses and statistical fees	28.2
Other fees	0.6
Lot use fee	5.5
Central MUFA [Technical Development Fund] payment	7.7
Other payments	6.8
Fines (sewage, car protrusion, etc.)	16.9
Enterprise special tax	7.7
Production tax (bus, truck)	1.5
Personal income taxes	12.2
Pension contributions	7.8
Wage contributions (social security)	30.5
Earnings taxes	1.5
Total contributions to budget	503.4
Budgetary subsidies	34.1
Net contributions to budget	469.3

#### Problems in Financing Petroleum Processing Reported

25000170a Budapest FIGYELO in Hungarian  
23 Mar 89 p 7

[Article by Gabor Szabo: "Petroleum Processing. No Money for Structural Change?"; first paragraph is FIGYELO introduction]

[Text] Financing of the investment projects planned by the National Petroleum and Gas Industry Trust (OKGT)

to abate the atmosphere's pollution with lead and sulfur appears deadlocked, even though CEMA's International Investment Bank is providing the foreign exchange, 45 million dollars, for the new gasoline-reforming unit at the Danube Petroleum Industry Enterprise (DKV). But so far the Trust has been unable to find a source willing to lend forints for the other half of the 6 billion forint investment project.

Yet in 1988 the OKGT, the embodiment of the Hungarian hydrocarbon industry, reported an after-tax profit of 9.0 billion forints, on over 300 billion forints of total revenue, and paid more than 90 billion forints into the state budget. Gabor Jozsef, the deputy director general for technical matters, revealed that up to now, in conflict with the petroleum processing industry's fundamental economic interests, fuel oil has been the so-called principal product of the industry. Which means that for many years the demand for fuel oil determined how much petroleum was processed.

#### Use as Fuel Wasteful

But the OKGT's interest is to increase the supply of higher-priced products, at the expense of reducing the output of fuel oil. That, too, has now become possible, because domestic demand for fuel oil has been declining steadily: from 2.9 million metric tons in 1985, to 2.6 and 2.5 million metric tons in 1986 and 1987, respectively. Last year, due to the mild winter, less than 2.0 million metric tons sufficed. At the same time, consumption of natural gas increased by more than 0.5 billion cubic meters: from 12.2 to 12.7-12.9 billion cubic meters.

This process has not evolved haphazardly. Under our domestic conditions, it is more expedient to process petroleum, rather than natural gas. In part because, by perfecting our existing capacities, petroleum can be processed into chemicals that are in demand also abroad; whereas the chemical industry processes merely 10 percent of the natural gas, to produce ammonia, for instance. And in part because the possibilities of procuring petroleum that is not denominated in convertible currency are more limited; whereas the sources of supply for natural gas, both at home and in the Soviet Union, are more ample. Another consideration supporting the use of natural gas for heating and power generation is that this type of fuel is the most popular among consumers. (And without any central rate reductions to encourage conversion to heating with natural gas, like in the case of coal, then household heating oil, and again coal and heat-storing electric heaters.) Burning natural gas in oil and gas fueled thermal power plants saves fuel oil, which can then be used as feedstock to make valuable products. Plans call for a reduction of the thermal power plants' fuel oil consumption from 800,000 to 400,000 metric tons a year by the year 2000; and fuel oil consumption by other consumers will drop by more than 200,000 metric tons, to 800,000 metric tons. Incidentally, it is a worldwide trend that producers are striving

to improve the economic effectiveness of petroleum processing also by increasing their output of valuable, so-called white products from relatively cheap fuel oil.

Which petroleum product is the most in demand? "Gasoline," replies Gabor Jozsef. "While in Western Europe gasoline consumption is growing at a rate of 1 percent a year, the growth rate in Hungary has been 6 or 7 percent for the 3rd year in succession. The consumption of motor gasoline exceeded 1.5 million metric tons last year. Probably the relatively low cost of gasoline also played a role in this. Last year, for instance, gasoline prices rose by 9.5 percent, but that has not even kept pace with inflation. As the volume of petroleum available for processing will decline further this year, in line with the softening of demand for fuel oil, we are not planning to import any petroleum for hard currency. But we must increase the supply of motor gasoline, to keep consumer's blissfully ignorant of the fact that gasoline supply and demand are balanced on a razor's edge. We are able to support this priority by increasing the import of naphtha."

How could the production of gasoline be boosted? The OKGT is urging two solutions. One of DKV's three reforming units (their combined capacity is 1.0 million metric tons [a year]) is past the venerable age of 20 and ought to be shut down after 1990; and another one, three years later. The proposed reforming unit replacing them in 1991 would have a capacity of 600,000 metric tons, its effectiveness would be greater than that of the old units, and the gasoline it would produce could have an octane number of 100, instead of 92. Thus the lead content of gasoline could drop to 0.15 gram [per liter], from 0.4 gram at present. Because, after blending the gasolines produced by various processes, this much tetraethyllead would be enough to obtain a gasoline with the desired octane number.

With this lead content of 0.15 gram we could catch up with Western Europe's present level. And by no means the least important consideration is that transportation's lead emission in Hungary would drop from 720 to 270 metric tons a year.

But why the conjunctive mode? Because we still lack the money necessary to implement this concept. Or more accurately, for the 6 billion forint investment project, the payoff period of which would be 4 or 5 years, we have obtained so far only a pledge of a 50 million dollar loan from CEMA's International Investment Bank, under a letter of intent signed on 21 December of last year.

The remaining 3.5 billion forints are the problem. The OKGT, of course (?), does not have that much retained earnings. At best it could pay only the VAT [Value-added tax] on the investment project. And the indications are that the banks are unable to lend us such a large amount. Therefore, despite the pledge of a loan from the International Investment Bank, we have not been able to open an account for the investment project. Perhaps

because this year the central bank is refinancing in forints only 65 percent of any hard-currency loan, as opposed to 100 percent last year.

According to the regulations issued by the central bank, a commercial bank may not lend the equivalent of more than half of its capital stock to any one customer. In the case of the Budapest Bank, for instance, this limit would be 3.2 billion forints.

If it is so hard to obtain forints in spite of a pledged hard-currency loan, then it might sound bold that OKGT is considering yet another investment project, one costing 5.0 billion forints. For we have not discussed as yet another method of increasing the gasoline yield: If the cracking unit's production is increased and other, related investments are undertaken, then the softening of the demand for fuel oil will permit using the extra fuel oil to produce more valuable products: namely gasoline and feedstock for the petrochemical industry.

The increased throughput would enable DKV to process 1.6 rather than 1.0 million tons of fuel oil. At the same time, the sulfur content of diesel fuel would drop from 0.5 to 0.2 percent, the present level in Western Europe. As a result of the increased throughput, the volume of gasoline and diesel fuel would increase from 0.6 to 1.2 million metric tons, and also valuable feedstock would be obtained for the petrochemical industry. The rate of profit on sales would reach 45 percent; and the rate of return on investment, 25 percent.

#### Foreign Exchange Available, Forints Are Not

Why again the conjunctive mode? There is as yet no realistic financing scheme, at least not for an investment loan in forints. OKGT officials have been informed that the bank with which the OKGT maintains its current account has at most 50 to 100 million forints in long-term loanable funds. And the trust itself is so strapped for funds that last year it had to use short-term bank loans to finance the construction of even some of the pipelines within the targeted investment program that, in principle, the state is supposed to be financing.

Thus the statement which two senior staff members of the State Development Institute made last year is of lasting validity. They said: "The questions of financing development projects were not included among the main considerations when the two-tier banking system was created."

#### [Box, p 7]

The 1.5 million metric tons of gasoline available in Hungary includes, besides the gasoline that is being produced by DKV's reforming unit and now has an octane number of 92, also a blend of the following: several hundred thousand metric tons of gasoline that is imported from the Soviet Union and has an octane number of 72; 100,000 metric tons of pyrolysis gasoline

from the pyrolysis unit of TVK [Tisza Chemical Complex]; casinghead gasoline with an octane number of 85 or 86; and cracked gasoline from DKV, with an octane number of 90. The finished product with an octane number of 86 is gradually being replaced by one with an octane number of 92. Lead-free gasoline has an octane number of 95, and lead-free premium gasoline's octane number is 98.

## POLAND

### Forum Discusses Food Economy Marketization, Prices, Rural Policies

26000462 Warsaw TRYBUNA LUDU in Polish  
28 Mar 89 p 4

[Report by Waldemar Gontarski on roundtable discussion at TRYBUNA LUDU offices in Warsaw, date not given: "Need for a Policy in the Food Economy"]

[Text] A tangle of words: "Priority for agriculture," "marketization of the food economy," "minimum prices," "guaranteed prices," "demonopolization of procurement and processing," "farmerization"... Do these concepts provide effective ways to increase the production of food and improve the living conditions of the rural populace?

That was the subject discussed in our editorial offices by the following persons: Miroslaw Czerniawski, PZPR Voivodship Committee first secretary in Lomza; Andrzej Kwiecinski, specialist in the Consultative Economic Council; Stanislaw Kiljanczyk, private farmer in Warsaw Voivodship; Roman Pstrong, ZSL Voivodship Committee president in Wloclawek, member of the ZSL Supreme Committee; Roman Urban, assistant professor in the Institute for Agricultural Economics and Food Economy; Waldemar Swirgon, editor in chief of CHLOPSKA DROGA, PZPR member; and the following TRYBUNA LUDU journalists: Krzysztof Krauss, assistant editor in chief, Wladyslaw Bielski, head of the farm and village life section, and Waldemar Gontarski.

Following are excerpts from the discussion:

TRYBUNA LUDU [TL]: We pay 19 zlotys for a liter of skim milk in the store. Trade gets it from the dairy cooperative for 13 zlotys. The farmers receive about 105 zlotys for the raw product. But the actual cost of 1 liter of the milk is about 190 zlotys. It would be cheaper if the average Polish cow gave more good milk—in this respect we are at the very end of the European list. And if, in addition to the huge dairies located in the large towns, there would be more smaller processing plants located closer to the farmer, because this is a question of savings of the raw material in transport and storage.

### More Can Be Done

Using milk as an example, we see that more can be done in both agriculture and processing. How? How do we modernize the food economy?

ANDRZEJ KWIECINSKI: The Consultative Economic Council is in favor of the formation of specialized, high-commodity, larger-size farms. Naturally, at the expense of eliminating those that are not productive. This would be done through economics.

ROMAN PSTRONG: But right now we can probably not afford to conduct such a brutal economic policy. In view of the shortage of food, we must protect every farm against bankruptcy, even the one that produces at a high cost.

TL: What then, should farm policy serve? Should it tolerate inefficient farms or, as was the case in the western countries with a market economy, eliminate those that are not very productive and make it possible for the stronger farms to absorb the weaker ones?

WALDEMAR SWIRGON: Our discussion is taking place on about the seventh anniversary of the 11th Joint Plenum of the PZPR CC and the ZSL SC. The decisions made at that agricultural plenum greatly preceded the present reforms. Today the country is holding discussions on the need to change ownership relations of means of production, while in agriculture this problem was solved 6 years ago.

We have made significant progress in farm production, although more can be done, and since 1987 there has even been a reversal in crisis events. On the other hand, in the package of social conditions we did not see any important changes for the better in the countryside. Council of Ministers Resolution No 47, dated 1984, which was supposed to make a "spring" in this field, was not even published. Studies made by the Supreme Chamber of Control say that it was not implemented at all. Meanwhile, social conditions, as we know, have a close connection with activating the "production reserves." Unless a cultural infrastructure is created which will provide education, health, sports, etc., we will not be able to keep the young people in the villages.

Also, parity (equality) is now taking on a new meaning. This is no longer just an economic term. If, from the standpoint of social conditions, we do not begin to approach equality between the countryside and the cities, there will be no one to implement even the most correct assumptions of agricultural policy, those based on the rules of economy. Farm policy should not be limited to production targets.

TL: But this does not mean that changes must necessarily be made in the assumptions of agricultural policy.

W. SWIRGON: After years of relative improvement in agriculture, PZPR has transferred the key centers, which implement farm policy, to ZSL. Today the deputy premier, the minister of agriculture, the chairman of the Sejm commission on agriculture, are ZSL members. It is the same with the presidency of the Food Economy Bank and the National Board of the Union of Farmers' Circles and Farm Organizations. This does not mean that we have stopped participating in the creation of farm policy, and even more, assuming responsibility for it before society. But the transfer by PZPR of direct responsibility for the state of agriculture and the food economy to the allied ZSL makes it possible to more objectively evaluate the results of recent years and the opportunities and dangers of the future. I see a need for the PZPR CC to begin to update agricultural policy, to adapt it to the changing social and economic conditions.

### Parity Into the Wastebasket

STANISLAW KILJANCZYK: Will income parity, which did not occur and which was the basic assumption of the present policy, be scrapped?

W. SWIRGON: In any case, it should not be regulated by the state through official price decrees. The market is now supposed to fulfill this role.

TL: An open market?

W. SWIRGON: I do not imagine the introduction of a 19th century, free from state intervention, market. The government, the party, social and professional organizations will not be released from responsibility for the economic relationships occurring between the particular sectors of the economy. Only the instruments of intervention change. Official prices and mass subsidies to retail prices of finished food articles will be replaced by direct influence on the market through fixing of the amount of taxation, the interest rate on credits, the amount of import and export tariffs and insurance premiums.

A. KWIECINSKI: Does this mean that reform should not include the farmers?

W. SWIRGON: No, although we know that farm production is based on biological processes (on growth, multiplication and other actions of live organisms), that it depends on natural conditions (climate, soil quality). Here it is more difficult to increase productivity and profits than in nonfarming production, on the factory floor. That is why agriculture, like no other sector of the economy, needs subsidies for development, for preferential credits (carrying a low interest rate and long repayment time), supplements for exports, tax reliefs, and supplements for insurance premiums. For strategic reasons we should expand our own agriculture, even if it is cheaper, temporarily, to buy food on foreign markets.

We learned what "danger to food security" and "food sovereignty" means when, after 1980, credits for imports of western feedstuffs were cut off and there was nothing to feed the animals.

#### **'Free Prices' Are Not Enough**

In agriculture, therefore, simple cost-effective economics cannot be applied, e.g., we cannot export fertilizers in order to benefit the chemical factories, at the expense of high crop yields. I am in favor of economization. I see it as the steering (by the state) of the development of the economy with the help of an entire set of economic instruments. These cannot be merely prices free of state intervention. Under our conditions, when we have a shortage of food, consumers would be required to pay exorbitant prices for food.

A. KWIECINSKI: Products produced by farmers, i.e., the highly efficient ones which have 20-25 hectares, should dominate the market. In addition to them there will be, for certain, a large number of small peasant-worker farms which supply themselves and possibly supplement the marketplace. In the second case, the costs of production could be relatively high.

TL: How long does the Consultative Economic Council think it will take to reach this model:

A. KWIECINSKI: I think that we can reach such a "polarized" model of agriculture within 30 years, at the least. On condition, that agricultural policy will be conducive to this. The basic instruments should be demonopolization and complete marketization of the food economy.

Prices for farm crops and for means of agricultural production should be established on the market according to the laws of supply and demand. Yet in government proposals a one-sided emphasis is placed on "free food prices." The government prefers price actions, without effectively breaking up the monopolistic structures which exist in agrifood processing and in the means of production industry.

#### **What Does the Farmer Need?**

R. PSTRONG: Until now, gentlemen, we have been talking about the need for reform only in private farming, as if the productivity of the fixed and turnover assets in the socialized sector was sensational. And yet that is not the case.

The countryside, agriculture, needs not only economic reform. Let us remember that farmers have a minimum share in total consumption. They normally do not use many of the services that are accessible only to city dwellers, but are financed out of the state treasury (from agricultural taxes, also). If we want to keep the young

people on the farm we must quickly and radically improve the social conditions in the countryside. Voluntary actions are not enough.

S. KILJANCZYK: Above all, the peasant needs a permanent farm policy. Late last year a great deal was written in our newspapers on "marketization" and "demonopolization." What is this supposed to consist of? What do "free prices" mean? I expected that with the beginning of a new year this puzzle would begin to be solved. Unfortunately, it has not. Low-profit official prices are still in effect for slaughter livestock, just as in previous years. Only crafts can procure at contractual prices. But in the 1970's, crafts factories were liquidated en masse and now there is no one who will pay us contractual prices for hogs and cattle.

Where, then, is this demonopolization? One now gets the impression that the government program for marketizing the food economy has not been fully defined, that there is too much vagueness. As a result, the farmer continues to feel insecure.

#### **Have Three Months Been Lost?**

TL: How does this insecurity express itself?

S. KILJANCZYK: For example, in January the farmers began to sell off their sows in droves. They severely limited the procurement of piglets for further raising and... in a couple of months we will undoubtedly have less meat. It is more profitable to sell grain and potatoes than to feed them to animals, because we can get relatively high contractual prices for grain and potatoes. I believe that for animal-husbandry the first months of this year have been lost and that nothing was done for marketization and demonopolization during the first quarter. At least, that is what it looks like from the position of the farmer-animal raiser.

Reform, on the whole, comes down to increasing the interest rate on credits, increasing the insurance premiums, to the fact that we do not know what our tax will be this year (we still do not have a payments order). Is this an incentive for young people to go into farming? Can we dream at all about "farmerization" under such uncertain financial conditions? If we make demands of farmers, we must also apply economic instruments in their behalf. But someone must tell us concretely what these instruments, particularly prices, will be. Let us take credits, so widely talked about. The credit policy, supposedly, helps the farmer. But what is the reality? The reality is that farmer's savings in banks are higher than their credits. That means that farmers are loaning to themselves. And in today's world, other sectors loan money to agriculture and finance the development of this branch.

TL: But can these feelings, which Mr Kiljanczyk is sharing with us, be generalized, applied to all regions?



MIROSLAW CZERNIAWSKI: There is more farmer-type agriculture in Lomza Voivodship than there is in other regions. Here are the facts: The average farm size is almost 11 hectares. Lomza is in 46th place in the country from the standpoint of weather and soil conditions. From the standpoint of production sold, it is in 16th place. Add to all of this the lack of a stable agricultural policy. The farmer wants to know how profitable specific types of production will be over the space of at least a few years, so he can decide which way to go, what to invest in. The price swings in effect for years are not conducive to this. The farmers' economic uncertainty has grown and as a result the situation in animal-husbandry has deteriorated.

R. PSTRONG: Let us return, therefore, to the question asked at the beginning, pertaining to the agrarian structure. Can only the "farmerization" concept improve the situation in agriculture?

M. CZERNIAWSKI: Insofar as structural changes in agriculture are concerned, I am in favor of evolutionary transformations. Naturally, the matter of efficiency improvement needs no discussion. And that criterion is already being applied in the countryside. The large farms, those over 20 hectares, are defending themselves. Nor is it bad in the small peasant-worker farms. However, the financial situation of the "in-between" ones does not look very good.

#### Crafts Come to Aid

TL: What do we do with those who, for various reasons, are not able to farm efficiently?

M. CZERNIAWSKI: In our voivodship we are attempting to find concrete solutions. We have broken the monopoly of the farm circles on production services offered to farmers. We have proposed to the farmers crafts centers offering mechanization services. There are now 120 of them in the voivodship and another 60 are being planned. Prices are similar to those of the circles but the quality of the services provided is drastically better. Crafts-service is already a profession in the Lomza countryside. Here, among other things, we want to employ those who will give up farming on their own. In food processing, too. Our production of slaughter hogs and cattle, and sugar beets, is relatively large, but instead of processing this production ourselves, we haul almost all of it to other voivodships which, of course, is expensive, because we have no suitable food plants. We have candidates for crafts-processors, but we lack the basic tools and machines with which to process.

ROMAN URBAN: I am also in favor of farmer agriculture, although the determining criterion should not be the amount of acreage. Efficient farms should be given priority. The road to them leads through marketization

of the food economy and monopoly breakup—both in the sphere of the manufacture of means of production as well as in farm-food processing and farming services. Even subsidies from the state treasury should be used to help the formation of crafts service and processing plants. After all, if there is no local labor market in the countryside, then even the least efficient will not get rid of their land.

I do not agree with Mr Swirgon on the matter of free prices. The consumer will decide what the prices will be. The food-articles market, with the exception of meat, is almost balanced, you know. Therefore, the consumer can already now choose from among particular producers.

S. KILJANCZYK: Can he? We have nothing to choose from, even among such basic articles as baked goods or dairy products...

TL: We realize that we have not exhausted the subject. The main theme of our discussion concerned current problems (the flow of producer goods to agriculture, the new price system and financial services to agriculture, marketization of the food economy) and future problems. The fundamental issue concerns transformations in the agrarian structure. Changes in this structure, let us emphasize, are not a goal unto themselves in agricultural policy, but only a road leading to growth in labor productivity and improvement in the living conditions of farm families. It would undoubtedly be hard to disagree with the opinion expressed by Prof Jozef Okuniewski in the quarterly WIES I ROLNICTWO, that if during the next several years the two basic dilemmas of the food economy, i.e., modernization and increased deliveries of means of production to agriculture, and expansion and modernization of the food industry and its deeper integration with agriculture, are solved, this will unquestionably facilitate and accelerate the solving of the third dilemma, namely improvement of the agrarian structure.

Emphasizing, therefore—in the title of our discussion also—that the food economy needs a policy, it should be added that what is of concern is mainly consistency in executing decisions (including those made at the above-mentioned joint plenum of the PZPR CC and the ZSL SC).

But decisions in the very complex matter of marketizing agriculture and the food economy must be made immediately, because economic justifications must be reconciled with social justifications. Our discussion has shown that simply solving the problem of prices in agriculture is not enough. Other economic instruments are also needed—instruments which will bring the entire food economy into harmony.

Thank you for accepting the invitation and taking part in the discussion.

## POLAND

### Neofascism: Genesis, Ideology of New Right Outlined

26000464 Warsaw *POLITYKA* in Polish  
No 15, 15 Apr 89 p 12

[Article by Konrad Weiss, film documentalist and contributor to the evangelical weekly *DIE KIRCHE*: "A Thousand 'Browns'"]

[Text] The evangelical church of the Zionist persuasion in a wholly proletarian neighborhood of Berlin has been a known center for critical Berlin youth since the mid-1980's. It is here that an alternative ecological library (Umweltbibliothek) is located, it is here that independent pacifist groups who call for human rights find hospitality. It is here that the "Ecological Sheets" (Umweltblätter) are published—a periodical printed on a duplication machine, which deals with serious and taboo subjects. For a long time this church was the favorite meeting place of the punks, those friendly surrealists who give some color to our everyday drabness. And sometimes the church nave resounds not with church hymns, but with the electronic strains of a rock group.

And that is how it was on 17 October 1987. On that Saturday, a punk group called "Firm," gave a concert in the Zionist church. Hundreds of young people came. The concert had just ended, some of the listeners were already going home, when a group of about 25 skinheads attacked the church. Later, witnesses were to say in court: "They raised their hands in the Hitler salute and shouted 'Germans, beat the leftists pigs' and 'Jews, get out of the German churches'. A brawl began. Three men assaulted my girlfriend. Then we, too, braced our courage by shouting 'Down with the Nazis' and began to fight them. The skinheads threw the first bottles, which injured many guests at the concert... There was horror, fear and panic. Many women began to cry hysterically." Other witnesses reported that "Sieg Heil" was also shouted. Many young people who did not enter the fray were injured, some seriously. Witnesses say that the police came much too late. Investigation showed that this was an "all-Germany campaign," that some of the skinheads came from West Berlin to "beat up on the red punks."

Somewhat later, on 1 November 1987, in Oranienburg near Berlin, where the former Sachsenhausen concentration camp is located, another gang of skinheads was arrested. These young fascists, all about 20 years of age, for months had been attacking and terrorizing people in trains, saloons and on the streets. They were arrested when they set upon a police car. Fascist insignia and a flag with a swastika were found on them. Similar events occurred in other GDR cities, in Halle, Weissenfels, Dresden, Cottbus... Sometimes foreigners, especially the colored, were savagely beaten and had racial epithets

hurled at them. As the doctor on duty in one of the Berlin hospitals said, victims of extreme rightist violence are treated in the emergency room.

And finally, in midyear in Berlin, a group of teenagers was arrested at the historical Jewish cemetery on Schonhauser Allee. Shouting antisemitic slogans, they climbed into the cemetery over a period of a few nights—despite the fact that right next to the cemetery is a police station which is open around the clock. During these raids they knocked over, desecrated and damaged over 200 grave-stones. During the interrogations some of the youths did not conceal their fascist beliefs.

In all of the cases I have mentioned the young culprits received long prison sentences, the longest was 6 and ½ years. The facts were described in the daily and local press and sometimes background information and opinions were presented. However, the tone of these reports suggested that these fascist disturbances were trivial, an isolated case, an individual perversion, which in form and substance comes from the West. No questions were asked, or will be asked, as to the social environment in which these groups spring up and function.

### Good Workers from Authoritarian Homes

At the beginning of the 1980's there were only a few skinheads in the GDR. It was difficult at that time to perceive any kind of ideological concept; the campaigns and acts of violence appeared to be spontaneous for the most part. It could have been believed that skinheads are one of many youth culture movements which appeared during that period and that they will disappear, just like any other fashion. It seemed to be unthinkable that young people brought up in the GDR would become new carriers of the fascist ideology.

It appears that more or less since 1982, a new right was able to organize. These groups first made themselves known at the sports stadiums; here the situation developed the same as in other countries. Although at first these were ostensibly nonpolitical disturbances and brawls, under the influence of alcohol, we now hear nationalist and antisemitic slogans from these "sports fans." Up to now, the peak point was the sports match in April 1988 in Lipsk, following which the people's police treated the skinheads with rubber bullets.

At the beginning of last year the number of young people in the GDR organized in extreme right groups was estimated at approximately a thousand. Starting in 1986 the skinheads began to terrorize the punks, passing as leftists and proletarians. Today the punk community has almost completely disappeared in our country. Now the victims are the other "hued," the foreigners, the colored, the members of alternative groups. From 1983 to 1987 the acts of violence and delinquencies increased fivefold, but only some of them have been explained and punished.

Today this "potential of politically motivated readiness for violence" is much greater. The majority of these young people are recruited from among those born between 1962-70. Few are older. Most of the prospective rightists were found among the 14- and 15-year-olds. In the trade schools it is estimated that in each class there are two or three extreme rightists.

In addition to the skinheads, so striking by their combative appearance, there are others which, I believe, are more dangerous: the Faschos. These are probably the main advocates of the fascist ideology. Outwardly they are unprepossessing. They give the impression of being well adjusted and are good workers. But secretly, in closed circles, they work on their old-new philosophy.

The new fascists include children of workers as well as the sons and daughters of the intelligentsia and middle class. Skinheads are often of proletarian descent or are themselves young workers. Girls and young women make up less than one-fifth of them. Skinheads, those who have been arrested, were subjected at home to a strict authoritarian upbringing; in some cases the parents were activists.

Cells which are extremely rightist as a rule number 9 to 14 persons. Sociologists believe that this is an ideal sized group. Such groups are able to cut themselves off completely from the outside world. If the group becomes larger, it is divided. As a rule, the leaders are of average intelligence and have a strong personality.

Because all these groups operate conspiratorially, it is difficult to penetrate their structures and mechanisms. But indirectly the logistics of skinheads and Faschos points to the existence of a leadership elite. For example, in the mid-1980's an attempt was made to sneak young fascists into the GST defensive sports groups (Society for Sports and Engineering) and the FDJ law and order groups. It is said that a detailed plan was prepared, but it was discovered. Today the former skinheads are in the age group making them eligible for conscription in the People's National Army.

The new tactic is an inconspicuous appearance and no warlike accessories. Even the most fanatic skinheads have let their hair grow and are no longer wearing their former attire—in the entire country. Is this simply accidental? And they avoid alcohol.

### Against the 'Shouters of Platitudes'

Anyone who believes that the skinheads and Faschos are simply a bunch of rabble-rousers, a horde of criminals led astray (by western ideology), is hiding his head in the sand. Once before in German history the middle class and the left made this mistake, so loaded with consequences. It seems to me that today many antifascists of the first and second generation believe that the building of a new society and 40 years of upbringing did not go to waste. They reject the very thought of a new fascist

threat. They cannot accept the fact that after the experience of the national-socialist terror and the fascist mass murders, young Germans could again be infected with the rightist ideology.

What, at all, is known about the inside world of the new fascists in our country, the skinheads and the Faschos? Both groups have one thing in common: their identity is based on the principle of violence. It is not democracy, or discontinuance of violence, it is not the ideals of the French revolution, socialism or christianity, which they believe to be the values on which society is based. It is the law of the strongest, the "superman." The Faschos, even more clearly than the skinheads, call for national-socialist ideas. It is said that Hitler's "Mein Kampf" circulates among the new right in the GDR. But materials for ideological training are also drawn from newspapers and antifascist reports, after suitable sifting.

Both the skinheads and the Faschos reject the socialist German state. The Faschos are also averse to the West German democracy. "We want to unify Germany. All that this left is, is one puke in this shitty state." "To be an extreme rightist means to consistently come out against those shouters of platitudes, against the acquiescers. We are not yes men, we stand solidly behind our viewpoints." The Faschos want to restore the German Reich within its 1938 boundaries. They consistently refuse to leave the GDR permanently. They see their field of operations here, in the elimination of the socialist society and in the struggle to unify Great Germany.

We can also see the beginnings of the "foreign" activity of the new right. Their hatred is consistently directed against the powers which were victorious in the Second World War, which broke up the fascist state. A distinct antiAmericanism is also becoming widespread. It is said that there are contacts with the right in Hungary, Czechoslovakia, in the Baltic republics, and in the Ukraine. It is more than evident that there are ideological similarities and a common logistics network.

There are also contacts with skinheads in the FRG and other western countries; we can also expect that there are contacts with neofascists in West Germany, but I doubt it. The principle men and leaders of the new right in the GDR—I am convinced of this—either "wintered" here or grew up here.

Many people in the GDR ignore this old-new threat. Meanwhile, the new right is clearly expanding its influence among the workers brigades. Naturally this relates to the values which the new fascists expound and consistently implement. For an apolitical observer, and especially for someone in the low middle class, the Faschos apparently appear as hardworking, neat, disciplined young citizens, who know what they are living for.

And indeed, the new right suddenly turns against the rather widespread "don't give a damn" ideology, against those who want to leave the GDR or withdraw into their

own little world; against the constant complaining and the philosophy of surrender of certain alternative groups. "Most of today's youth have no models. They live from day to day. They are featherbrained. They have no idea of what to do with their life." However, the rightists are different: they are proud that they want something, that they have a goal in life, and ideals. They do not tolerate any form of anarchy and do not become disheartened. Their political program includes physical training and a healthy way of life. As a rule they are spruced up. "We are the elite of German youth."

Other values, whose historical models are also easy to detect, are the cult of the individual and the spirit of comradeship. Every member of the group must pass a ritual test in which he must prove his willingness to use violence and cast off moral inhibitions. Cowardly attacks on completely innocent persons is the usual test of courage here.

It is no accident that soldierly values are also cultivated: discipline, obedience, endurance, and reliance. The Wehrmacht spirit of comradeship is particularly called upon. And finally, the proper cult of the individual includes the treatment of those sentenced for brawling as heroes. It should be feared that without a program of social therapy, prison, for many new fascists, will be, according to their own words, a "real academy," which will strengthen their philosophy and sense of their own worth.

### The Salvaged Fascists

Many threads of tradition, it can be seen, lead to German national socialism. How is it possible that such a seed could find fertile soil in a state built on antifascist tradition, in a socialist society?

After all, in the GDR the perpetrators and sympathizers of fascism were more consistently punished and isolated than in the other German state. By the middle of the 1970's, in accordance with the law, 12,876 Nazi criminals were sentenced. Since that time trials have been taking place year after year. As far as I know, a Nazi criminal was sentenced in July 1987 in Halle: a former member of a fascist police battalion. He was sentenced to life imprisonment for participating in the massacres in the Ukraine. Antifascism in the GDR is dictated by the constitution and by state policy.

But this does not say everything about the psychological and moral conditions of the Germans here. Many of those who in 1933 shouted praises in honor of Hitler,

who left in peace were enmeshed in the war and Hitler's crimes, did not, after the defeat of the Third Reich in 1945, make any real turnaround. Although some of them—frequently those who had shouted "mea culpa" the loudest—changed their flags, uniforms, and party membership cards, inside they remained the same as before. But for the majority, for the "mitlaufers" and those of few words, the knowledge that for 12 years they had been seduced and used by criminals was so awful and unbearable that they simply suppressed it. The size of the guilt and shame made it very difficult for them to come to terms with the past. Neither society nor both churches realized this. They did not enable the people burdened with the guilt of the Third Reich to make a public confession, to discuss what they had done and what they had renounced. The criminals were punished, but millions of mitlaufers and all those who were guilty by remaining silent and doing nothing were sentenced to further silence. They were denied the mercy of atonement. The Germans passed into the new order too quickly.

In the Soviet occupation zone and later in the GDR which had just been created, shame and atonement were made even more difficult because the occupation rulers and many antifascists, especially the communists among them, professed to be almost superhumanly pure and noble. Yet the humanist ideals that they expounded were in conflict with the Stalinist terror of the postwar years and this, especially in the eyes of the proselytes who felt their guilt, discredited the antifascist state and the antifascist ideals. All of the mistakes and shortcomings of this state and its society were used as an argument in favor of their own rediscovered moral superiority, leading to a new turn to fascism. The growing awareness of the guilt changed into a new, deeply hidden in the spirit, fanaticism.

Those salvaged fascists lived for 40 years as outwardly adjusted citizens, politically indifferent or pretending to be socialists. I believe that it is they who waited patiently for their moment and have now passed the brown relay to their grandchildren. It is they, inconspicuous and hard to catch, who hold the thread in their hands. It is they, and not a handful of former SS men and pompous party bosses, who may still be hiding here and there under changed names and forged papers.

But none of this explains why the radical right has such an influence among the youth. This can be understood only in terms of today's world. And that is a subject for a separate article.

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